



Daily Report

China

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Daily Report

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21 July 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Li Peng Meets Delegates to Social Policies Symposium

OW2007145494 Beijing XINHUA in English 1406
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—Chinese Premier Li Peng met here today with foreign participants to a symposium on social policies enacted during economic restructuring.

Li praised the United Nations secretariat and the UN Children's Fund (UNICEF) for sponsoring the symposium jointly with relevant department of the Chinese Government. He welcomed the high-ranking officials from the UN and 10 countries, who are attending the symposium.

Li noted that the symposium has focused on measures to be adopted on children's health and education during economic reforms and the establishment of new social insurance systems. "It is of significance that participants are exchanging their experience on these topics," he said.

Li, calling children the future of mankind, said "We are responsible for the healthy growth of children." He added that the Chinese Government has made and will continue to make efforts in this respect.

China has always held that all countries should choose their own roads of development in the light of their own conditions, including establishing social insurance systems which suit the national realities, Li told the participants.

"It is inevitable that difficulties occur in the process of reforms," Li went on, "but China's experiences have proved that problems can gradually be solved and people can benefit from the reforms as long as there is a correct policy."

Li said that economic development through reforms constitutes a basis for improving the people's living standards and conditions for children's health and education.

As far as China is concerned, the premier said, "We believe that the reform of the social insurance system is an undeniable part of the process of building a socialist market economy."

Children's work is closely linked with the work for women, Li noted, saying that both aspects deserve full attention in establishing a social insurance system.

Thus, he expressed the belief that the Fourth World Conference on Women, which is to be held in Beijing next year, not only will be important for women, but will help promote social insurance for children, as well.

James P. Grant, executive director of UNICEF, said that the symposium has been successful.

The fact that the symposium was held in Beijing shows that the participants wish to learn about China's experiences in developing social insurance for children, he said.

Ji Chaozhu, UN deputy secretary-general, said that one of the common points the participants have reached is that there will be no development without peace and peace can not be guaranteed without development.

Meanwhile, he said, the success of reforms depends to a large extent on the macro-management and correct policy guidance of the government. He added that the welfare of women and children should be regarded as an important part in a social insurance system.

Present at today's meeting were five vice-premiers, each representing a central Asian nation, along with representatives from other participating countries.

Li Peng Meets Outgoing, Incoming Ambassadors

OW2007143194 Beijing XINHUA in English 1343
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—Chinese Premier Li Peng met here today, on separate occasions, with new and outgoing ambassadors to China from four countries.

The four ambassadors were outgoing ambassadors Zbigniew Dembowski of Poland and Robin McLaren of Britain, and new ambassadors Vladimir Petkovski of Macedonia and Mulatu Teshome Wirtu of Ethiopia.

Li had cordial conversations with the ambassadors. He thanked the outgoing diplomats for their efforts to promote relations between their countries and China, and hoped that the new comers would make similar efforts.

UNDP Official Comments on Cooperation

OW2107081694 Beijing XINHUA in English 0732
GMT 21 Jul 94

[Text] Beijing, July 21 (XINHUA)—China and the United Nations Development Program (UNDP) are pursuing fruitful co-operation, according to a leading UNDP official.

At a high-level international roundtable conference on China's Agenda 21 held here, James Gustave Speth, administrator of the UNDP, said that the organization will support China in implementing Agenda 21.

China and the UNDP have co-operated since the two parties signed a co-operative agreement at U.N. Headquarters in June 1979.

During the past 15 years China has used more than 400 million U.S. dollars in aid from the UNDP for over 500 projects, mainly concerned with agriculture, manufacturing, education, public health and economic reform.

With the UNDP's assistance, China has set up more than 100 professional technical research and training centers and sent some 6,000 administrative workers abroad for training. Meanwhile, more than 10,000 foreign experts have been invited to work in China.

The UNDP is the world's largest multilateral source of grant technical assistance. Its efficient implementation rules and emphasis on using advanced technology are vital to the success of China's co-operation with the UNDP, said an official from the China International Center for Economic and Technical Exchanges (CICETE), which handles UNDP projects in China.

Also, "through the UNDP's recommendation, we can get help from the best experts and specialists in the world," said the official.

To date, the UNDP has increased its aid in helping China restructure the economy in addition to introducing technologies. Its assistance has played an important role in promoting the research into high-level economic policies in the country, said the CICETE official.

For example, the UNDP has paid great attention to the drafting and implementation of China's Agenda 21, which is the country's white paper on population, the environment and development in the 21st century.

The CICETE official said that the Chinese Government has always attached great importance to the UNDP's assistance. It has taken vigorous action to provide the necessary funds as well as manpower for UNDP-aided projects in China.

According to the official, the UNDP's funds are mainly used to support and improve the technological levels of aided projects. "Thus, we can make the most of the UNDP's help," said the official.

The general goal of China's reform is to basically establish a socialist market economic system by the year 2000. "This provides extensive possibilities for further co-operation between the UNDP and China," said Arthur N. Holcombe, resident representative of the UNDP in China.

Now the UNDP's co-operation with China is entering a new period, said Holcombe. He said he hoped the co-operation between the two parties could make more contributions to China's economic construction and reform.

'Roundup' Views U.S. Policy on Haiti

*HK2007142994 Beijing RENMIN RIBAO in Chinese
17 Jul 94 p 6*

["Roundup" by staff reporter Xu Shiquan (6079 0013 6898), and He Hongze (0149 3163 3419): "There Are Roaring Waves Again in Haitian Crisis"]

[Text] United Nations 12 Jul (RENMIN RIBAO)— On 2 July, the UN Security Council issued a statement by its

chairman condemning the Haitian military regime for ordering the expulsion of all members of a joint UN/OAS group. The group had been monitoring human rights conditions in that country. The statement indicated that "this provocative behavior has directly affected the region's peace and security." There are roaring waves again in the Haitian crisis, which has gone on for approximately three years.

In September 1990, a military coup took place in Haiti; consequently, President Jean-Bertrand Aristide was ousted. The international community showed deep concern over this. The UN Security Council has on several occasions adopted resolutions on the Haitian issue, including on sanctions. Chinese delegates have enthusiastically supported UN efforts to restore peace and stability in Haiti; at the same time, they do not approve of sanctions as a means to resolve the Haitian issue out of China's persistent stand to safeguard national independence and state sovereignty.

The United States is particularly concerned about the Haitian issue; in U.S. President Clinton's own words, Haiti is "in our backyard," and if democracy fails to be restored in that country, the refugee issue will bring "sustained" trouble to the United States. In addition, the Haitian issue is viewed as a challenge to "the leading role of the United States." This being the case, the United States has done its utmost to enforce sanctions against Haiti inside and outside the UN and has exerted all sorts of pressure to that end. The 12 July statement was also drafted by the United States. What action the United States takes next is an issue people inside the UN building are showing great concern for today.

Recently, U.S. political and public opinion circles have talked about whether or not U.S. troops should be sent to Haiti. However, marked differences are found in both the U.S. Government and Congress as to whether or not the United States should resort to force in Haiti. The press here reports that some officials in the State Department are anxious to resort to force to "settle the issue" due to their mind set of "suffering setbacks," because their diplomatic means toward Haiti have failed to work as of today; while the Department of Defense opposes the use of military forces. With the exception of the "African-American Caucus" in Congress, the majority of congressmen are against resorting to force. Polls show that the majority of the U.S. public are unwilling to see U.S. soldiers shed blood in Haiti. On 13 July, NEW YORK TIMES carried an editorial, indicating: "Force is a kind of slow and obtuse apparatus which cannot settle political issues," and "will leave a loophole in the international order of rule by law."

In view of the present condition, the United States will not select the inferior policy, namely, resorting to force, for the time being, but is ready to continue to strengthen sanctions against Haiti, including convincing France to halt Air France flights to and from Haiti in order to sever the only tie between Haiti and the outside world, while compelling certain countries in Central America to share

the pressure of Haitian refugees. At the same time, the United States will add pressure to the Haitian military regime, including the presentation of military threats, to promote its disintegration from within. However, it should not be forgotten that in Washington there really are some people who are insufferably arrogant and have delusions of grandeur. The fact that the United States sent its troops to Panama and Somalia serves as a good example. At the same time, that the U.S. authorities have not ruled out the "option" of sending troops to Haiti is a fact that should not be neglected.

United States & Canada

Negotiator Says U.S. Erecting Obstacles to GATT Entry

HK2007151994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0716 GMT 20 Jul 94

["Special article" by He Chong (6320 3095): "The United States' Endless Demands Are Obstacles Delaying China's Reentry to GATT"]

[Text] Hong Kong, 20 Jul (ZHONGGUO TONGXUN SHE)—The GATT meeting scheduled to be held in Geneva on 29 July will be the last battle determining whether or not China can "reenter the GATT." Recently, the Beijing authorities have said time and again: The Chinese delegates have decided to propose a "final package of concessions" at the 18th meeting and China will consider withdrawing from the talks if the United States deliberately erects obstacles and makes endless demands.

On 19 July, China's Minister of Foreign Trade and Economic Cooperation Wu Yi told the visiting U.S. undersecretary of commerce in Beijing that China would not reenter the GATT at any price, nor would it barter away fundamental state interests. She hoped the United States would take a realistic attitude to expedite the talks.

As everyone knows, in order to resume its status as a signatory to the GATT, China has held 17 rounds of talks with the relevant countries over eight years. During this period, in order to meet GATT requirements, China has unified its dual-track exchange rates, established a foreign exchange market, lowered import tariffs, unified its tax system, and promulgated the Law on the Protection of Intellectual Property Rights and the Law on Foreign Trade. Much headway was achieved in previous talks after China successively set three deadlines for reducing tariffs and making concessions on farm products and services, which won the support of most countries, including Japan, Germany, France, Italy, and Belgium. However, the talks were postponed without a decision because the United States placed obstacles in the way to try to obstruct China from reentering GATT this year and becoming a founding member state of the World Trade Organization, which will be set up next January.

A few days ago, an official with China's Ministry of Foreign Trade and Economic Cooperation was quoted in CHINA DAILY, an English-language daily published in Beijing, as saying that China would propose a "final package of concessions" during the talks to be held in Geneva at the end of this month on China's "reentry to the GATT," saying that "these will be the last concessions made whether GATT accepts them or not." He pointed out: China has made very large concessions but will not do so endlessly. However, a certain country, which has erected obstacles to China's reentry to the GATT, is asking China to make concessions which are impossible to grant. China's social stability and economic development will be disrupted if it consents to these demands, but China will never reenter the GATT at the expense of its prospects for economic development. If China cannot reenter the GATT, all of the promises made to the GATT will be null and void.

In reporting these remarks, the U.S. media admitted that the "certain country" referred to was the United States and said that the official had "portrayed the United States as the arch-criminal hindering China's entry to the GATT."

Actually, this is how things are. In an interview with Hong Kong reporters on 18 July, Xu Bingjin, one of the Chinese negotiators at the GATT talks, indicated flatly that the "U.S. side has erected man-made obstacles to prolong the talks and hinder China's reentry to the GATT." He pointed out that the Chinese delegates had answered and explained over 4,500 questions raised by the United States and other countries in previous negotiations, including questions which have been repeated again and again. He said: Now, it has come to a stage where they can no longer raise any new questions. Actually, the deliberation time has been so long and the range of questions so wide that this has rarely been seen in GATT history. On the other hand, China is making unceasing efforts to introduce new policies in line with GATT principles. There are still some imperfections at present, but improvements take time, and people cannot be involved in endless examinations. What the United States is doing amounts to erecting man-made obstacles.

Xu Bingjin said by way of illustration that China had made many concrete concessions to try to reenter the GATT, such as: First; China has reduced the rates on 2,898 taxable items, thus lowering the general tariff level from 39.9 percent to 36.4 percent, or a fall of 8.8 percent; second, with the promulgation of the "Chinese Administrative Procedures for Importing and Exporting Electromechanical Products," the past practice of administrative intervention under the planned economic system has been abolished and international administrative procedures to invite tenders for quotas have been adopted; third, a detailed list of 388 taxable items centrally managed by specialized departments has been abolished; fourth, a detailed list of 1,700 substitutes for imported goods has been abolished; fifth, 76 import quotas have been successively canceled; sixth, promises have been made to cancel import licenses and quotas for

petroleum, for phosphoroxylene and dozens of other industrial chemicals, and phthalic acid and four other types of chemical-fiber monomer. Meanwhile, China has increased the transparency of its import policies to make its policies and decrees known to the public and has promised to abolish certain preferential policies and accord equal treatment to domestic and foreign investment after reentering the GATT.

However, the United States is so avaricious that it is trying to force China to accept demands it can never fulfill. According to sources in Beijing, the United States is demanding that "China cannot be accorded the GATT's provisions on developing countries." By listing China as a developed country similar to the European states, Japan, and itself, the United States is trying to "force China to be responsible for promises beyond its national strength." For example, the United States keeps asking China to cancel from the day it reenters the GATT the requirement that foreign-funded enterprises should use a certain percentage of domestically made parts or materials, and to abolish all nontariff measures, including import checks, the issuance of licenses, and the quota examination and approval system. However, China is a developing country and has a relatively low level of economic base and industrial, scientific, and technological equipment. These provisions would deal a severe blow to China's national industries. If every protective measure was abolished, the banking and aviation sectors, as well as the produce market, would be open to the outside world (the United States cannot do this either), and commodities made in developed countries would force their way into China.

Beijing To Hold First Ever Economic Fair in U.S.

OW2007160394 Beijing XINHUA in English 1517
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—The '94 Beijing Trade and Investment Discussion Fair will be held in San Francisco on September 19-24 this year, Zhou He, vice-director of the Beijing Municipal Commission of Foreign Trade and Economic Cooperation, announced here today.

More than 40 enterprises will exhibit over 1,000 products at the fair, covering clothes, textiles, handicrafts, jewelry, light industrial goods, electronics, petrochemicals, hardware and animal by-products.

More than 500 projects will be offered at the fair to American investors. They cover infrastructural construction, construction materials, energy, petrochemicals, food, electronics, agriculture, animal husbandry and commerce.

In recent years, U.S. companies have had brisk trade exchanges with Beijing. In 1993, Beijing registered an import and export trade value of more than 300 million U.S. dollars with the United States. By the end of June this year, there were 1,343 U.S.-funded enterprises in Beijing, involving more than 1.4 billion U.S. dollars.

According to Zhou He, the fair will also be held in New York and Los Angeles.

Southeast Asia & Pacific

Burmese Minister of Livestock Begins Visit

OW2007115194 Beijing XINHUA in English 1120
GMT 20 Jul 94

[Text] Yangon [Rangoon], July 20 (XINHUA)—Myanmar [Burma] Minister for Livestock Breeding and Fisheries Brigadier-General Maung Maung left here for Beijing today to pay an one-week visit to China at the invitation of Chinese Minister for Agriculture Liu Jiang.

It was learned that during his visit, the Myanmar minister will observe livestock breeding enterprises in China.

Indonesia Cooperates in Developing Sansha Port

OW2007150894 Beijing XINHUA in English 1412
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—China and Indonesia have decided to jointly develop Sansha Port in southeast China's Fujian Province.

The contract on this project was signed Tuesday at the Diaoyutai Guesthouse in Beijing by representatives from the China Township Enterprise Investment and Development Co. Ltd. and an Indonesian industrial group.

Located in Xiapu County in northeastern Fujian Province, Sansha Port is a deep-water port well known for its fine natural fishing grounds and tourist resources.

A total of 300 million yuan (34.5 million U.S. dollars) will be invested in the project. Nearly 90 hectares of new land will be created by levelling mountains to fill in the sea.

When construction is completed, Sansha Port will have the functions of shipping, oceanic fishing, foreign trade, tourism and entertainment.

Qian Qichen Issues Statement on Arrival in Thailand

OW2007161394 Beijing XINHUA in English 1525
GMT 20 Jul 94

[Text] Bangkok, July 20 (XINHUA)—Chinese Vice Premier Qian Qichen said here tonight that the friendly and good neighborly relations and mutually beneficial cooperation between China and Thailand are "of great significance to peace, stability and economic prosperity of the region."

In a written statement issued at the Bangkok Airport to reporters, Qian, who is concurrently the foreign minister, said, "Thailand and China are friendly close neighbors. The Chinese people have always cherished friendly sentiments towards the industrious and talented Thai people."

He added, "over the past 19 years since the establishment of diplomatic relations, there has been marked development of Sino-Thai friendly relations and cooperation in various fields thanks to the joint efforts of our two governments and peoples."

Qian said, "we are satisfied and pleased with the development of our bilateral relations."

"Facts have proven that the friendly and good neighborly relations and mutually beneficial cooperation between our two countries on the basis of the five principles of peaceful coexistence are not only in conformity with the common interests of our peoples, but also of great significance to peace, stability and economic prosperity of the region," he said.

Qian arrived in Bangkok this evening from Nepal on a week-long visit to Thailand at the invitation of his Thai counterpart Prasong Sunsiri.

During the visit, Qian will also attend the 27th ASEAN ministerial meeting on July 22-23 as a special guest of ASEAN.

Qian said that he will hold talks with his Thai counterpart and other leaders of Thailand on ways of further developing bilateral relations and on regional and international issues of common interest with a view to enhancing understanding, developing friendship and promoting cooperation.

Qian said he would also have extensive exchanges of views with other foreign ministers at the ASEAN ministerial meeting and the ASEAN regional forum on international and regional issues.

Further on Arrival

OW2007165994 Beijing XINHUA in English 1639
GMT 20 Jul 94

[Text] Bangkok, July 20 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen arrived here this evening after ending his visits to India and Nepal.

Qian is on an official and goodwill visit to Thailand at the invitation of his Thai counterpart Prasong Sunsiri.

During the visit, Qian will attend the 27th ASEAN ministerial meeting, which is scheduled to take place on July 22-23, and the ASEAN regional forum on July 25.

During his visit, he is expected to hold talks with his Thai counterpart Prasong Sunsiri on bilateral ties and will exchange views on regional and international issues of common interest.

During his week-long visit, Qian will also hold talks with a number of foreign ministers attending the ASEAN gathering.

Qian's participation in the ASEAN meeting will help promote relationship between China and ASEAN which

has six member nations—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Qian Meets Thai Premier

OW2107095194 Beijing XINHUA in English 0930
GMT 21 Jul 94

[Text] Bangkok, July 21 (XINHUA)—Thai Prime Minister Chuan Likphai said here today that his country needs support from all quarters to make the first-ever ASEAN regional forum on security a success.

During a meeting here today with Chinese Vice Premier and Foreign Minister Qian Qichen at the Government House, the Thai prime minister expressed warm welcome to Qian, who flew in here last night on an official visit to Thailand and to attend the 27th Ministerial Meeting of the Association of Southeast Asian Nations (ASEAN) and the ASEAN regional forum.

During the meeting, Chuan expressed his country's great interest in and admiration for China's fast economic growth.

The Thai leader also briefed Qian about the progress made between Thai and Chinese business people in economic cooperation, following his visit to China in last August.

The Chinese vice premier, on his part, said that the Thai prime minister's trip to China last year helped push Sino-Thai relations forward and bring economic ties closer.

He said that China and Thailand have had very good relationships and hoped that these relationships would develop to a higher stage in all fields.

Qian also expressed the hope that small and medium-sized Thai enterprises would increase cooperation with their Chinese counterparts and that the two countries would increase cooperation in science and technology.

On behalf of the Chinese Government and the flood-hit people, Qian also thanked Chuan for his message showing concern to the victims of flooding in six southern Chinese provinces, and expressed profound thanks to the Thai people who have contributed money and goods for the relief operation for the flood-stricken people in those provinces.

Qian also spoke highly of Thailand's efforts in strengthening its relations with its neighboring countries and playing ever greater role in international affairs.

Qian said that China would like to strengthen cooperation with Thailand in international affairs.

Papua New Guinean Foreign Minister Ends Visit
OW1907145794 Beijing XINHUA in English 1355
GMT 19 Jul 94

[Text] Shenyang, July 19 (XINHUA)—Visiting Deputy Prime Minister and Minister of Foreign Affairs and Trade of Papua New Guinea (PNG) Julius Chan concluded his visit to China and left here this morning for Hong Kong.

Deputy Governor of northeast China's Liaoning Province Gao Guozhu was present at the airport to see the PNG guests off.

The 10-member PNG delegation arrived here from Xian, capital of northwest China's Shaanxi Province, on July 17.

On the evening of July 17, acting Governor of Liaoning Wen Shizhen and Deputy Governor Gao Guozhu met with the PNG guests, and they discussed the possible areas for cooperation and exchanges between the two sides.

During their stay here, the PNG guests visited some enterprises, including high-tech ones.

Near East & South Asia

'Roundup' Views Middle East Peace Process
OW2007123994 Beijing XINHUA in English 1134
GMT 20 Jul 94

["Roundup" by Huai Chengbo]

[Text] Jerusalem, July 20 (XINHUA)—The Middle East again becomes a focus of world attention as peace talks are unfolding in different fronts.

The most impressive episode is in the Jordanian-Israeli track. Israeli Foreign Minister Shim'on Peres will set foot on Jordanian soil for the [word indistinct] time this afternoon, officially and publicly, in an historic Jordanian-Israeli-U.S. foreign ministers' meeting on the Dead Sea's eastern shore.

Jordan's Prime Minister and Foreign Minister 'Abd-al-Salam al-Majali, U.S. Secretary of State Warren Christopher and Israeli Foreign Minister Shim'on Peres are scheduled to meet at 2 p.m. at a Dead Sea hotel, assumably to prepare for a White House summit between [words indistinct] and Prime Minister Yitzhak Rabin next week.

The trilateral gathering is expected to be capped by a joint statement pledging economic and development cooperation between the three countries.

The three parties have formed a panel to deal with potentially broad economic cooperation, where the Jordanians and Israelis will continue to hold talks after the three leaders leave.

According to local press reports, the Dead Sea meeting will begin with all three foreign ministers making speeches, after which all three leaders will adjourn to a trilateral meeting. A joint news conference will follow.

Before the leaders leave, al-Majali and Peres will hold a private meeting.

The tripartite parley was preceded by the first round of Jordanian-Israeli bilateral talks on July 18-19 in a location along the 1948 ceasefire line some 17 kilometers north of Eilat and Aqaba. It was the first time for the two neighbors to hold negotiations in the Middle East, which had been sought by Israel.

King Husayn's agreement to meet Rabin followed a memorandum of understanding with the U.S. in which Jordan promised to reduce its Army by one division in return for U.S. aid. Husayn also requested for [word as received] F-16 aircraft, but the U.S. has yet to respond. Washington is most likely to write off Jordan's debt of nearly 1 billion U.S. dollars.

Christopher, who is conducting his third round of Middle East shuttle this year, has found that it is rather difficult to push the Syrian track.

In Jerusalem, the first stop of his mission, he met twice with Rabin and separately with Peres, but the Israeli leaders gave him no new initiatives to bring to Damascus.

During an appearance before the Foreign Affairs and Defense Committee of the Knesset Tuesday, Rabin did not rule out the possibility that Israel would totally withdraw from the Golan Heights, but disassociated his government from a 1967 cabinet decision recognizing Syrian sovereignty over the Heights.

"I have made a public commitment not to withdraw from the Golan Heights. If, heaven forbid, such a situation should arise, there will (first) be a national referendum," Rabin said. "In any case, the decision will not be made by those chosen in the last election. It is the people who will decide," he declared.

After a meeting with Syrian President Hafiz al-Asad Tuesday, Christopher admitted sadly that the long dispute between Israel and Syria is still defying resolution despite historic changes in the Middle East.

Christopher described the unresolved issues as "complex and intertwined," which include terms of a treaty, how much territory on the Golan Heights Israel would surrender, the diplomatic and economic relations that an accord would provide for the two countries that have been at odds since Israel's founding in 1948. [sentence as received]

However, the secretary of state said President al-Asad is "very serious about making progress" toward a peace treaty with Israel. It is not clear whether he will return to Damascus after more meetings in Israel Thursday.

Christopher is also expected to meet PLO Chairman Yasir 'Arafat Thursday, the first since the Palestinian leader returned to the autonomous areas of Gaza and Jericho. Although marred by Sunday's bloody incident at Eretz Checkpoint which caused two Palestinian deaths, Israeli and Palestinian negotiators continued their autonomy talks in Cairo Monday.

The talks concentrated on extension of autonomy to other parts of the West Bank still under Israeli occupation. The Palestinians also urged Israel to release thousands more Palestinian prisoners. So far only little over three thousand have been set free from Israeli jails.

Foreign Minister Qian Qichen Visits Nepal

Meets Minister of Tourism

OW2007111094 Beijing XINHUA in English 1056
GMT 20 Jul 94

[Text] Kathmandu, July 20 (XINHUA)—Visiting Chinese Vice Premier and Foreign Minister Qian Qichen held official talks with Nepali Minister for Tourism and Civil Aviation Ram Hari Joshy here this morning.

During the talks, Qian said that China will maintain and develop the traditional friendship and cooperation between the two countries.

The traditional friendship between China and Nepal would never change no matter whatever changes may occur on the international arena and no matter what happens in their respective countries, he said.

Qian spoke highly of the economic and tourism cooperations between the two countries and made it clear that the central government of China supports the Tibetan Autonomous Region to open wider to the outside world and to increase its economic exchanges with Nepal, especially in the fields of trade and tourism.

Recalling the signing of the agreement on the road transport between Lhasa and Kathmandu in May of this year, the Chinese vice premier expressed the hope that the departments concerned of the two countries will make positive preparations to put the agreement into practice.

On human rights issues, the Chinese vice premier said that he was very pleased that Nepal was elected into the United Nations Human Rights Commission.

As developing countries, China and Nepal have a lot of common views on the human rights issues, Qian said, adding he is looking forward to the cooperation between the two countries in the United Nations Human Rights Commission.

During the talks, Tourism Minister Joshi shared the same views with the Chinese vice premier and expressed his appreciation for the importance the Chinese Government has attached to its cooperation with Nepal.

Joshi said that Nepal and China enjoy a cordial and friendly neighborhood which is characterized by close cooperation, understanding and mutual support. He hoped that the friendly ties of cooperation between the two neighbouring countries would be strengthened.

He also expressed thanks to China for its assistance to Nepal in the industrial, water preservation and health sectors and hoped that more Chinese enterprises and business will come to Nepal for investment and establishment of joint ventures.

After the talks, the two sides signed an agreement on economic and technological cooperation between the two countries.

Meets Nepali King

OW2007115994 Beijing XINHUA in English 1139
GMT 20 Jul 94

[Text] Kathmandu, July 20 (XINHUA)—Nepali King Birendra met Chinese Vice Premier and Foreign Minister Qian Qichen in the Narayandhiti Palace here this morning.

During the meeting, Qian conveyed cordial regards and best wishes of Chinese President Jiang Zemin to the king who extended his invitation to the Chinese president to visit Nepal at his convenience in the future.

The Chinese vice premier said that after the establishment of diplomatic relations, China and Nepal have had broad cooperations in various fields with fruitful results which have laid a good foundation for the further development of relations between the two countries.

He said that China appreciates what the king had done in promoting the relations between the two countries, stating that China would continue its efforts to maintain and strengthen the cooperation with Nepal.

Qian also expressed his appreciations to Nepal for its efforts in keeping and developing good neighborhood with both China and India.

He said the good relationship among countries concerned is not only beneficial to the economic development in these countries, but also helpful in maintaining peace and stability in the region.

King Birendra expressed his appreciation to China for its respect and understanding of the independence and sovereignty of Nepal and for its economic assistance to Nepal.

The Nepalese people are thankful for all these things done by China, he added.

Under the present changed international situation, the king said, Nepal would continue and strengthen its contacts and friendship with China.

In reply, Qian said that each country has the right to maintain and safeguard its independence and sovereignty which should be respected by other countries.

Qian also expressed his welcome to Nepali Crown Prince Dipendra's visit to China within this year.

Present on the occasion were Chinese Assistant Minister of the Foreign Ministry Wang Yingfan, Chinese Ambassador to Nepal Shao Jiong Chu and Nepali Foreign Secretary Kekar Bhakta Shrestha.

Aid Promised to Nepal

*OW2007121294 Beijing XINHUA in English 1151
GMT 20 Jul 94*

[Text] Kathmandu, July 20 (XINHUA)—China has promised to extend to Nepal an economic and technological assistance amounting to 60 million Chinese yuan (6.88 million U.S. dollars).

An agreement to this effect was signed here today by visiting Chinese Vice Premier and Foreign Minister Qian Qichen and Nepali Tourism and Civil Aviation Minister Ram Hari Joshy on behalf of their respective governments.

A ceremony of letter exchange on the maintenance of the China-aided Pokhara-Baglung Highway in western Nepal was also held on the occasion.

On behalf of their respective countries, Chinese Ambassador to Nepal Shao Jiong Chu and Secretary of Nepali Finance Ministry Thakur Nath Pant signed the letter.

The construction of the highway project began on April 1, 1988 and was completed on April 8 this year. It has a total length of 71.6 kilometers with an investment of about 12 million U.S. dollars.

Defense Minister Chi Haotian Ends Visit to Pakistan

*OW2107073394 Beijing XINHUA in English 0656
GMT 21 Jul 94*

[Text] Karachi, July 21 (XINHUA)—Chinese Defense Minister Chi Haotian leaves here for home this morning after a five-day official visit to Pakistan.

He was seen off by Pakistan Defense Secretary Saleem Gillani, Chinese Consul General in Karachi Wang Xiucui and Chinese Military Attache in Pakistan Zhang Haiyan.

Chi laid a floral wreath at the Mazar-e-quaid and called on Sindh Governor Mehmood A. Haroon in Karachi on Wednesday.

During his five-day stay in Pakistan, Chi called on Pakistan President Farooq Leghari, Prime Minister Benazir Bhutto, Chief of the Staff Committee Gen. Shamim Alam and met with Defense Minister Shaban Mirani, Chief of Army Staff Gen. Abdul Waheed and foreign minister Asif Ali.

Chi visited Pakistan at the invitation of his Pakistani counterpart Shaban Mirani.

Chi Haotian Returns to Beijing

*OW2107093094 Beijing XINHUA in English 0919
GMT 21 Jul 94*

[Text] Beijing, July 21 (XINHUA)—Chinese State Councillor and Defense Minister Chi Haotian returned here today after winding up his goodwill visit to Russia and Pakistan.

He was met at the airport by Zhang Wannian, chief of general staff of the Chinese People's Liberation Army, and officials of the Russian and Pakistani Embassies in Beijing.

Political & Social

Former CPPCC Foreign Affairs Head Han Xu Dead

OW2007120294 Beijing XINHUA in English 1149
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—Han Xu, member of the Standing Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) and chairman of the CPPCC's Foreign Affairs Sub-Committee, died of cancer here on the night of July 19, at the age of 70.

Han Xu had been a diplomat for more than 40 years, culminating in the post as Chinese ambassador to the United States. After he quit his official post, he served as president of the non-governmental organization—the Chinese People's Association for Friendship with Foreign Countries (CPAFFC)—until May this year when he was laid down with illness.

Jiang Zemin, Li Peng, Others Inscribe for War Museum

OW2007150194 Beijing XINHUA in English 1427
GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—Top Chinese leaders wrote inscriptions for the 1894-1895 Sino-Japanese War Museum here today in commemoration of the 100th anniversary of the historical event.

Party General Secretary Jiang Zemin's inscription reads: China Museum of the 1894-1895 Sino-Japanese War.

Premier Li Peng wrote: Draw lessons from past history.

Qiao Shi, chairman of the Standing Committee of the National People's Congress, wrote: Keep in mind the historical lessons and intensify the modernization drive so as to make China stand aloft in the East and become a staunch pillar of peace and stability.

Liu Huaqing, vice-chairman of the Central Military Commission, wrote: Immortal are the warriors of the 1894-1895 war; it is a great honor to defend the motherland.

The Sino-Japanese War of 1894-1895 broke out on August 1, 1894 and ended with the Qing Dynasty's defeat and the unequal treaty with Japan.

The museum of the Sino-Japanese War of 1894-1895, on Liugong Island of the coast of Weihai in Shandong Province, was built in 1985. It holds nearly 1,000 exhibits about the war collected from around China. By the end of 1993, it had received nearly ten million visitors.

Li Says Economic Progress Basis for Welfare Reform

HK2107055794 Beijing CHINA DAILY in English 21
Jul 94 p 1

[By Ma Chenguang: "Li Endorses Welfare Reforms"]

[Text] Improvement of people's livelihood and children's health and education can only be achieved through economic progress brought through reforms, Premier Li Peng said yesterday.

China wants to reform its social welfare system while it is establishing a socialist market economy.

In doing so, China will focus on improving the status of women and children, he said.

Li made the remarks while meeting a group of foreign delegates who were in Beijing attending an international symposium on "Social Policies During Economic Transition: Child Health, Basic Education and Social Protection."

The seminar, jointly sponsored by the United Nations Children's Fund (Unicef) and the United Nations Department for Development Support and Management Services (UNDDSMS), with the support of the Chinese Government, concluded yesterday.

The premier also noted, "China retains the view that each country should seek a development course in accordance with its specific conditions."

Li praised the seminar for its pursuit of possible policies targeted for children and women in the economic restructuring process.

"Children are the future of the world and we have the responsibility to let them grow up happily and healthily," Li said.

China has made many efforts in this field and will make more endeavors in the future, he said.

In the reform process, Li said, difficulties are inevitable.

As long as a country adheres to a correct policy, it is possible to gradually overcome these obstacles and problems and to bring benefits to the people.

China's experience has demonstrated this, the Premier added.

The four-day seminar drew more than 60 foreign participants, including national delegations led by deputy prime ministers of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, and members from five observer nations.

According to Ji Chaozhu, Undersecretary General of the United Nations in charge of the UNDDSMS programme, participants to the seminar reached consensus in three major areas:

- Without peace, there will be no development, and only peace and development can bring protection to people;
- The success of reforms relies on the government's management of economic policy;
- Protection for children and women is an important component of a social protection system.

James Grant, Executive Director of Unicef, said his organization will provide \$50 million over the next five years to assist projects in primary health care, basic education, and women's and children's nutrition in the participating countries.

Chen Junsheng Urges Development of Impoverished Areas

HK2107062094 Beijing CHINA DAILY in English 21 Jul 94 p 4

[By Zhang Xia: "Experts Seek Ways to Develop West"]

[Text] China's central and western areas are a huge potential market, State Councillor Chen Junsheng told a seminar on development last week.

The areas, which make up two thirds of the country's land resources and population, are grossly under-developed compared to the eastern and coastal regions of the country, according to Chen who is in charge of the country's agriculture and poverty alleviation work.

The economic gap between the two areas is widening, he warned the conference.

Effective measures should be taken to divert funds and advanced technology away from the developed eastern parts to the poorer areas, he said.

Speaking to a seminar which drew more than 60 scholars from the mainland, Hong Kong, Taiwan and some Southeast Asian countries, Chen said that the aim of the meeting should be to find ways to promote more even development.

For example, coastal areas like the Yangtze River and Pearl River deltas and regions around the Bohai Sea, have seen rapid economic growth in the past decade, while poorer central and western areas have lagged behind.

Whereas the per capita gross domestic product in eastern areas was 2,800 yuan (\$232) in 1992, while it was only 1,517 (\$176) in the central and western areas.

And by 1992 the coastal areas had absorbed \$12.1 billion of overseas investment, while the central and western areas had only gained \$1.1 billion. [sentence as published]

More action must be taken, said Xiang Nan, President of China Poverty Alleviation Foundation.

"To relieve these people from poverty requires not only the efforts of the central government and the hard work of the people in poverty-stricken areas, but also assistance from concerned individuals and units from both home and abroad," Xiang said.

Among the 592 poor counties listed by the State, more than 90 per cent were located in the middle and western areas, Xiang said.

And these poor counties were mostly remote, barren mountainous areas or deserts with extremely harsh natural conditions.

Unlike coastal areas, which have the advantage of capital, technology and management, the inland central and western areas had only abundant natural and labour resources.

Co-operation between the two regions would lead to common progress and prosperity, Xiang added.

Important resources like coal, oil and natural gas are found in the central and western areas. These areas are also rich in agricultural, forestry and animal farming resources, he said.

Their grassland accounts for 98 per cent of the country's total and hydroelectric power 80 per cent.

Also speaking at the conference, Zou Lan, a researcher from China International Trust and Investment Corporation, said that some industries in coastal areas should be moved to inland areas.

He said that some of the more labour intensive coastal projects would lower their production costs if they re-located.

Zou said the country's railway system could cope with only 68 per cent of the cargo-shipping needs, leading to a shortage of resources and energy in the coastal areas.

Also, when China's status in the General Agreement on Tariffs and Trade is restored, the country's enterprises will have to lower their prices to compete for the domestic market with their foreign counterparts. They will not be able to rely on increasing the price of products to compensate for growing production costs, he reminded the conference.

"To survive the fierce competition in the domestic and international market, some industries have to be transferred to the central and western areas, where they can get cheap labour and a stable supply of raw materials," Zou said.

This would ease the strain placed on the over-burdened railway system and the flood of rural migrants from inland to coastal areas, he said.

"The co-operation would also help explore the markets of neighbouring countries," according to Zou. And Chinese products would receive less restriction from their neighbouring countries in the west.

Other experts at the seminar pointed out that entrepreneurs with foresight would find that the central and western areas were good places for investment.

The Hong Kong-based Newtower Development Ltd, for example, has already set up a marble- and granite-processing factory in Anyang, Henan province, and has established co-operation with many local township enterprises.

The HK company provides equipment and technology for the township enterprises and purchases their semi-finished products. The development has been mutually beneficial for the local economy and the company's production capacity.

But there are limitations. In the central and western areas, there are some places which are not suitable for people to live in, they added.

Chen Jiyan, Director of the Rural Development Institute under the Chinese Academic of Social Sciences [organization as received], suggested that residents in inhabitable areas should be moved to other regions.

In the country's southwestern Guizhou, Yunnan and Sichuan provinces and Guangxi Zhuang Autonomous Region, there are 100 million people living in the mountainous areas, 20 million of whom are unable to feed and clothe themselves, said Chen.

And in some places people have less than 0.02 hectares of cultivated land and are plagued by a lack of drinking water.

These places are usually isolated from the outside world and are very difficult to reach by road. Many areas are sparsely populated making roadbuilding projects extremely expensive.

"A wise choice is to migrate these people to places which are easier to live in," Chen advised the meeting.

In China, there are altogether 80 million people who cannot afford to feed or clothe themselves. But the State announced earlier this year an ambitious plan to eliminate abject poverty by the year 2,000.

The number of poor people in China has been reduced from 250 million in 1978 to the present 80 million level. This fall in numbers was attributed to the 1978 economic reforms which increased food production and farmers' incomes.

The seminar was jointly hosted by the China Poverty Alleviation Foundation, Chinese Academy of Social Sciences and the Asia and the World Institute, a non-governmental research institute from Taiwan.

State Council Appoints New University President

OW2007145294 Beijing XINHUA Domestic Service in Chinese 0909 GMT 12 Jul 94

[By correspondent Li Mengchao (2621 1125 6389) and reporter Jiang Qianfeng (3068 6929 1496)]

[Text] Beijing, 12 Jul (XINHUA)—The State Council recently decided to appoint Li Wenhai [2621 2429 3189] as president of the Chinese People's University.

Professor Li Wenhai is a well-known historian in China. For a long time, he has engaged in doing research on and teaching modern history of China. He was head of the Department of History, director of the Institute of History of the Qing Dynasty, and vice president of the Chinese People's University.

Foreign Ministry Official Comments on Illegal Migration

HK2107024194 Beijing RENMIN RIBAO in Chinese 17 Jul 94 p 4

[By staff reporter Fu Xu (0265 2485): "Persistent Stand of Chinese Government: Resolutely Oppose Stealing Into Other Countries and Illegal Migration—Zhang Hongxi, Director of Consular Affairs Department Under Foreign Ministry, Answers Reporter's Questions"]

[Text] It is a legal offense for people to sneak into other countries, namely, to illegally cross the borders. It is a serious offense in law for someone to organize such an illegal activity in a planned way in order to gain exorbitant profits.

Over the last few years, some international human smuggling rings have joined up with a few lawless persons in China to help a number of mainland people, who were eager to make money but did not understand the situation abroad, to illegally cross the borders. They deceived the latter by promising to safely send them to their destinations and get highly paid jobs for them.

The attempt of a number of mainland people to sneak into other countries seriously undermined China's international reputation and image, affected China's efforts to establish normal ties with several foreign countries, endangered the interests of overseas Chinese and of Chinese residing outside the borders, did harm to social stability and economic development in certain areas, and gave rise to corruption and crime. The problem has been taken seriously by the Chinese government. The departments concerned of the central and certain local governments have adopted effective measures to hold the illegal activity in check and have achieved notable results. To enable our readers to gain a better understanding of the problem, this reporter several days ago interviewed Zhang Hongxi, director of the consular affairs department under the foreign ministry.

[Fu Xu] In the past, many people paid \$20,000 to \$30,000 to snake heads (illegal human smuggling ring

leaders—editor's note) for their service in helping them to sneak into other countries. The majority of these people, who left their wives, children, and parents behind, were in a state of anxiety, experienced various kinds of hardships, or even became fish food [zang shen yu fu 5520 6500 7625 5215] before they reached their destinations. After settling down, they found things were not as wonderful as they had expected. Some were insulted, blackmailed, wandered about the street, or forced to do indecent or even illegal jobs, while others were arrested, ill-treated, or sentenced and finally sent back home. Such being the case, why is it that some people still risk danger in desperation?

[Zhang Hongxi] There were few illegal human smuggling activities in China until late 1980's. More such illegal activities have been found in coastal areas in the last few years. There are many complicated reasons for such illegal activities, and they vary from country to country, area to area, person to person, and time to time. The principal reasons can be summarized as follows.

An important reason is imbalance in economic development between countries. The great disparity in the economic level and living standards between developing and developed countries encouraged people in developing countries to drift to developed countries. This is a long-term international phenomenon. The inappropriate policies and laws introduced by certain countries in order to obtain cheap labor from developing countries made things go from bad to worse.

Some countries left loopholes in their laws, did not strictly enforce their laws, or adopted improper measures to meet their political needs. This also encouraged illegal immigration or made the problem more complicated. After reaching their destinations, some illegal immigrants fabricated all kinds of lies and asked the local governments for "political asylum" in order to gain the right of abode. If their attempt proved successful, though the number of these people was very small, more people would be encouraged to take risks. This gives international human smuggling rings an opportunity to take advantage of.

The attempt of the international human smuggling rings to make exorbitant profits by organizing illegal migration intensified the illegal tide. Again, the fact that some countries have so far failed to deal harsh blows against such illegal activities and even tolerated them served to aggravate the situation.

Those people who tried to sneak into foreign countries were mostly uneducated peasants. So ignorance was also a reason why they chose to break the laws.

[Fu] Over the last few years, China has witnessed large groups of its nationals trying to sneak into other countries on board foreign ships. The illegal exodus has done a great harm to China's reputation. For instance, when the cargo ship "Golden Venture" carrying illegal Chinese emigrants landed at the Rockaway Beach, New York, early on the morning of 6 June last year, four illegal

migrants drowned and 280 were arrested. In the same period, some foreigners also accused China of allowing its nationals to "drift freely abroad." Will you please explain to our readers the Chinese government's stand on this issue?

[Zhang] The Chinese government has consistently and definitely opposed illegal migration. In fact, the number of illegal Chinese migrants is very small taking into account the total number of illegal migrants around the world.

The Chinese government has paid great attention to this issue and has taken strong measures against illegal emigration and human smuggling rings. In August last year, the Chinese government held a forum on illegal emigration.

Leading comrades of the central authorities made important speeches at the forum, urging government departments concerned to make determined efforts to hold the illegal activities in check as soon as possible to serve the overall interest of China's reform, opening up, and economic development as well as to consolidate and improve China's international prestige. Some areas concerned also held meetings to discuss ways to apply the measures.

China's laws strictly forbid organized illegal emigration. Articles 176 and 177 of the "Criminal Law of the PRC" and the "Law of the PRC on Exit and Entry Administration" have made this very clear. In March this year the NPC standing committee promulgated the "Follow-Up Regulations on Severely Punishing Criminals Who Help Other People Sneak Out of the Borders."

When Chinese citizens apply for an exit visa, government departments concerned will take up the matter strictly according to relevant regulations, and China's customs also carefully examine the certificates of those leaving the country. Public security offices have strengthened sea patrols to deter illegal emigration and made concentrated efforts to crack down on human smuggling rings, severely punishing "snake heads."

The Chinese government has also made it an important task to tell its people the necessity to abide by the law, expose crimes committed by law-breakers, and give its people an account of tragedies of illegal immigrants abroad to warn them against sneaking out of the country.

The above measures have achieved considerable results.

[Fu] Since illegal migration is seen all over the world, an international cooperation for checking the illegal operation is necessary. What do you think of this?

[Zhang] You are right. International cooperation is essential to checking such illegal operations. China has been ready to cooperate with other countries in stopping such illegal activities. It has been China's position that countries concerned should intensify their cooperation on the basis of "mutual respect and consultation on an

equal footing" to deal harsh blows against human smuggling activities. Because the human smuggling rings are based abroad, China alone is unable to completely reverse the situation. I said earlier that some countries, to meet their political needs, had taken certain inappropriate measures to attract or even encourage illegal migration. We have definitely opposed this and have made many representations to the governments concerned.

In our view, illegal migrants are law-breakers as well as victims. Therefore recipient countries should give them necessary humanitarian treatment while prosecuting them according to law.

Sneaking out of the borders or illegal migration is an individual act, so it has nothing to do with the government. The Chinese government has resolutely opposed and taken effective measures against illegal emigration, so there has been only a very small number of illegal Chinese emigrants. Illegal migration and normal contacts between the people of any two countries are two separate matters. While checking illegal migration, we should ensure that the channel for normal people-to-people contacts are unimpeded. We maintain that no governments are allowed to suspect without foundation or discriminate against those people engaged in normal people-to-people contacts or permitted to legally settle down under the excuse of checking illegal immigration.

We are strongly against the practice of certain countries granting "refugee status" to those who seek so-called "refuge" in an attempt to obtain permanent citizenship. Illegal migration and the refugee problem are separate matters with different nature, so they should be solved in different ways. Mixing up the two will only serve to make the illegal migration issue more complicated instead of finding an easier solution to it.

[Fu] It is learned that China has have good cooperation with certain foreign countries and relevant international bodies in repatriating illegal Chinese migrants. Will you say something about China's position on repatriation?

[Zhang] We adopt a cooperative attitude towards requests by other countries to send back home illegal Chinese immigrants in their countries. We allow these people to come home as soon as we are convinced they went abroad from the mainland.

We maintain that when illegal migrants have been repatriated, the cooperation should come to an end. No countries have the right to interfere with the ways we treat these people according to law. No action will be taken against and no unfair treatment will be given to those people who tried to settle down in foreign countries through seeking "political asylum" or in other ways so long as they abide by criminal laws after being repatriated.

[Fu] Illegal immigrants are now found in China. What is your position on this problem?

[Zhang] Since China has enjoyed political stability and rapid economic growth over the last few years, a increasing number of foreigners have sneaked into China. The Chinese government will treat these illegal immigrants according to law and hopes the countries concerned will give their cooperation.

I believe that as long as all countries follow norms governing state-to-state contacts and intensify cooperation, illegal migration will be effectively deterred.

Naturally, this international phenomenon will not be completely removed until productive forces of developing countries have been greatly developed.

Article Attacks Exaggerating Achievements

HK2107095694 Beijing RENMIN RIBAO in Chinese
24 Jun 94 p 5

[Article by Bai Yumin (4101 3768 3046): "Strictly Guard Against Exaggeration"]

[Text] Seeking laws governing the movements and changes of things according to their original features in order to promote their forward development is a basic requirement of dialectical materialism. It is exactly because the Chinese Communists persist in this epistemological principle that we have achieved great victories in revolution and construction. However, a small number of comrades are consciously or unconsciously violating this principle. They always want to tailor reality according to their will, and, instead of telling the truth, they resort to deception.

According to a magazine, a local leading cadre talked about the 1993 grain output on four occasions. On the first occasion, he said there had been a great reduction in yield. The second and third times, he said the drop in yield was not great. On the fourth occasion, a TV news report said that grain output had reached an all-time high! As another example, a city organized the leading cadres of districts and counties under its jurisdiction to study the theory of building socialism with Chinese characteristics. Everyone discussed ways of accelerating development in conjunction with the reality of their localities. One county suggested an annual growth rate of 20 percent and another raised it to 25 percent. Under such circumstances, a certain leader was still not satisfied, and hinted repeatedly that under normal conditions the growth rate should not be lower than 35 percent. Under his guidance, comrades who spoke later all raised their development goals. But how reliable are figures generated in this way? A high-level leader went to a village to inspect work. Before the village cadre reported his work, he asked an accompanying township cadre in a whisper: Should I tell the truth or fake it? The township cadre replied: Do you want to tell the truth and be scolded? Say whatever is good! So this village cadre rambled on about a lot of achievements to the inspection leader as if reciting from a book. The higher-level leader clicked his tongue in praise. Before he left he commended the village cadre for being capable in his work,

and the township cadre for being skillful in leadership. One cannot but ask: Do inspections like this promote or harm work?

Of course, the few examples given above are rare in our practical life. They also run counter to the pioneering spirit of emancipating the mind and seeking truth from facts and of active exploration and hard work demonstrated by the large numbers of cadres in the construction of the two civilizations. However, this tendency to exaggerate, if not effectively curbed, will spread like a disease, distort policies, harm cadres, discredit the party's workstyle, and become extremely harmful and corrosive to the socialist cause.

Why has this phenomenon of exaggeration come about among some cadres?

Firstly, it is caused by a tendency to seek quick success. China originally was a very poor country with an ocean of small producers. The question of how we can try harder to accelerate construction and gain more initiative is the common wish of the whole party and nation. However, economic construction has its own development rules. The development of social productive forces is a long and gradual process. People cannot arbitrarily choose productive forces, because the productive forces acquired by each generation depends on the ability already gained by the previous generation. This is a force which objectively exists in history. Marx once pointed out: "People create their own history. However, they do not do so as they wish under conditions chosen by themselves, but they create under conditions directly encountered, decided, and inherited from the past." Nevertheless, for a fairly long period of time in the past, we were eager to believe that there was nothing that could not be done by the Chinese people, who had won a rapid series of great victories. Since by relying on mass movements we could overthrow the "three big mountains [imperialism, feudalism, bureaucratic capitalism]" within a fairly short period, why cannot we quickly change the "poor and blank" features of China by relying on mass movements also? Since the 1980's, with the deepening of reform and opening up, the socialist enthusiasm of the people of the whole country has been further mobilized. "Old comrades leave something to remember, new comrades open up new ground." Everyone wishes to leave some achievements during their term of office. But how does one realize this goal? In the eyes of some comrades, setting high standards and tightening belts generates a force among the people which cannot be easily realized under unconstrained conditions. One cannot say that this view is completely unreasonable. However, firstly, concrete conditions have to be taken into consideration, and secondly, the degree of control has to be appropriate. If the above view is taken as a universal rule and applied everywhere, one can achieve the opposite.

Secondly, it is caused by formalism. We are in a transitional period, changing over from an old to a new structure. The new socialist market economy structure is

not yet completely established, while the effects of the old structure are disappearing. This state of affairs causes a certain degree of disorder in all areas of social life. Some people take this opportunity to acquire inappropriate gains, and they often succeed. This causes others to lose direction, as if the market economy is a free economy where one can conduct any business and do anything one likes. The formalism of engaging in false, big, and empty talk surfaces against such a background. As much as 50 years ago, Comrade Mao Zedong pointed out incisively that formalism is a "naive, vulgar, philistine, and brainless" thing and that the whole party "must expose it" and truly give up this malaise.

Formalism and deception are twins. Their core is to benefit self and their basic essence is inefficiency. Formalists have no intention of remaining on solid ground, but are only interested in gaining profit and courting favor. In their work they are eager to spend time on "florid fists and ornate pantaloons." This is totally incompatible with the party's general principle. When comrade Deng Xiaoping inspected Shenzhen, he emphasized the need to do more solid work and speak less empty words. Shenzhen has relied on solid work rather than words to develop so quickly. But some of our comrades have forgotten that all achievements are accumulated from bits and pieces of meticulous work. They do not have a clear understanding of how to adapt their ways of thinking, work methods, and knowledge structure to the demands of a socialist market economy. In their minds, it seems like the most effective way to promote work is to issue documents, call mass meetings, and continuously raise various kinds of boisterous slogans. It is, however, this kind of superfluous, demonstrative, and showy action that raises "mountains of documents," enlarges "oceans of meetings," and hinders the execution of all work.

Thirdly, it is caused by fragmented understanding and being unable to completely and accurately comprehend comrade Deng Xiaoping's concept of "achievements in one's official career" and his theory of development. All things exist with universal connections. The nature, position, and function of things can only be demonstrated by its inherent connections. Such a dialectical view should be maintained when we examine achievements in one's official career. One should say that achievements in one's official career are the comprehensive reflection of an official's qualities in various aspects and his abilities. If a person is unwilling to work, is not supported by the masses, and has no real abilities, he will not score any achievements. But what are termed achievements? What was originally a nonissue has become an issue in some places. Achievements in one's official career is a concept with extremely rich connotations. It includes material, spiritual, short-term, long-term, obvious, and hidden connotations. Some things look like achievements, but are actually failures. Some things look like real achievements, but are actually false achievements. If investigations and analyses are not made and if an official's work is only looked at superficially, statically, and in isolation, it is hard to arrive at a

fair conclusion. For instance, projects launched by those who are satisfied with only the hullabaloo and the hustle and bustle without undertaking investigation and study and without scientific decision-making will not only reap no profits, but the investments will not be retrievable. There are people who are eager for immediate gain and behave in a short-sighted manner, who drain the pond to catch the fish, and who damage the interests of the whole to benefit the part; who host an investment invitation fair today and a negotiation meeting tomorrow, and who are full of sound and fury but without action; who advertise how many projects they have negotiated, but if you take a careful look, quite a few are just copies of previous letters of intent; and so on—all these cannot be considered as achievements in their official careers, but should be harshly criticized. Yet some of our leading comrades love this, and even praise such behavior as "daring to pioneer and scoring outstanding achievements." If those who falsify and exaggerate are always allowed to benefit, resulting in "those who report good news get good news, and those who report disasters get disasters," this will certainly misguide some people into specializing in covering the "rotten insides" with a "gilded surface." Some people point out that the real reason why "cadres produce figures" in some places is because "figures produce cadres." These words don't sound good, but they have hit a sore spot in our cadre system.

The development theory is an important component of the theory of building socialism with Chinese characteristics. In particular, views on development speed are very significant in guiding the modernization drive in China. On the eve of the Third Plenary Meeting of the 11th CPC Central Committee, Comrade Deng Xiaoping raised a critical question: "If, for a very long historical period, the development speed of the productive forces in the socialist countries is slower than in the capitalist countries, then what superiority is there?" In 1990, he again pointed out: "The key to whether China can resist the pressure of hegemonism and power politics and uphold our socialist system depends on whether we can achieve a relatively fast growth rate and realize our development strategy." At the same time, he also clearly pointed out that this "is not encouraging an unrealistically high speed, but we want to develop solidly, efficiently, steadily, and with coordination." Obviously, what comrade Deng Xiaoping advocates is speed with conditions. It is neither a slow speed, nor is it blindly imitating and lopsidedly seeking high speed irrespective of the practical possibilities. It is the maximum possible development speed on a foundation of raising quality, optimizing structure, and improving efficiency.

When talking about "reforming the Party and government leading structure," Comrade Deng Xiaoping pointed out: "Our past mistakes were of course related to the thought and work style of certain leaders. However, more importantly, they were problems in organization and work systems." The problem of exaggeration is the same. Therefore, to solve the exaggeration problem, we

must start with the leaders and adopt a strategy of treating the symptoms and causes at the same time. While elevating our understanding and correcting our thinking and style, we should focus on methods of solving problems in the system. Let those who engage in false, big, and empty talk really suffer so that they will no longer be able to, dare to, or want to do so again.

Official Calls For Law To Protect Rural Firms

OW2007143294 Beijing XINHUA in English 1307 GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—China should make a law on rural firms so as to guide the fast and healthy development of China's powerful rural industry, an official said here today.

Qi Jingfa, director of the Rural Firms Department under the Ministry of Agriculture, said that China's rural industry lacks a complete law to protect legitimate rights in the sector.

A regulation on collectively-owned enterprises issued by the government in 1990 has to a great extent protected legitimate rights and interests in such enterprises, according to experts.

However, they argued that the regulation is not a law, and it could not meet the needs of the rapidly expanding rural industry and can not adapt to the changing society, since China is striving to build up a socialist market economy.

China's township enterprises are quite different from the state-owned and urban collectively-owned enterprises in their property rights structure, product mix and management mechanism, the director said. "Thus, a law on rural firms can not be replaced by other laws."

Most countries with developed market economies have made laws on middle and small enterprises to protect and promote their development, he said.

He went on to say that China's rural firms are mainly composed of middle and small enterprises. A law on rural firms, therefore, would tally with the rule of economic development.

China's rural industry has become a dominant economic force in rural China and accounted for one-third of the nation's total industrial output value.

Missing Labor Activist Liu Nianchun Reported Arrested

HK2107054094 Hong Kong LIEN HO PAO in Chinese 21 Jul 94 p 10

["Dispatch" by New York-based reporter Tseng Hui-yen (2582 1979 3601) on 20 July: "Liu Nianchun Disappeared for Nearly Two Months, Reportedly Arrested"]

[Text] Liu Nianchun, founder of the "Working People's Rights Protection Alliance," has not been seen since 28

May to this day. An eyewitness told Liu's wife Chu Hailan that he saw for himself the arrest of Liu Nianchun and another founder of the alliance Zhang Lin by mainland plainclothesmen that very day.

Liu Qing, elder brother of Liu Nianqing who is chairman of the New York-based "China Human Rights," denounced the authorities' behavior little short of kidnap and criticized the authorities for not revealing his brother's whereabouts according to law so that Chu Hailan was still kept in the dark about his whereabouts even though she had gone to public security and state security organs 14 times to inquire about her husband.

Liu Qing said: After Liu Nianchun disappeared, although they could not totally conclude that Liu Nianchun had been detained by the public security organs, they believed that it was by no means accidental, because he disappeared under the strict supervision and control of the public security and state security organs. If Liu Nianchun was not the founder of the alliance, he would absolutely not have disappeared.

Crime and Punishment in the PRC for 1-17 Jul

HK1907100794

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 1-17 July. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on corruption and economic crime.

National

SHENZHEN TEQU BAO (SHENZHEN SPECIAL ECONOMIC ZONE DAILY) reports that the Shenzhen police broke up a 47-member drug ring on 13 July. The gang was charged with drug possession, theft, and robbery. The drug ring, which originated in Pingxiang, Jiangxi Province, came to the village of Ruohu near Shenzhen, where it rented a large house which became a base for prostitution activities and looting raids. Acting on a tip, the police raided the house before dawn, catching all 47 gang members and discovering 20 grams of heroin, one camera, two air conditioners, 20 wallets, and dozens of identity cards.

Shortly after the raid, police in a nearby village caught a gang of nine drug addicts fleeing from Liuyang in Hunan Province. Twenty of the offenders will be sent to drug rehabilitation centers, while the remainder, charged with other crimes, are being detained for further interrogation. (Beijing CHINA DAILY in English 16 Jul 94 p 3)

The Guangzhou Intermediate People's Court announced on 5 July the immediate execution of 11 criminal accused of robbery, murder, and theft. Liao Wujun, one of the defendants sentenced to death and a native of Guilin, Guangxi who had previously served a jail sentence, was accused of robbing an arts and crafts shop in Guilin on 27 February 1990. Along with a group of gang members, he killed the shopkeeper and made away with the valuables, including jewelry worth RMB 139,000 (renminbi). He later fled Guangxi and entered Guangzhou on 3 February 1992, where he and a group of accomplices broke into a safe and several display boxes in a jewelry shop on 7 February. They stole jade ornaments, foreign currency, foreign exchange certificates, and other items worth RMB 470,000. (Beijing ZHONGGUO XINWEN SHE in English 1318 GMT 5 Jul 94)

On 29 June, a frontier detachment of the Wenzhou City Armed Police in Zhejiang Province arrested 72 illegal emigrants before they boarded a ship in Dayu Town, Cangnan County. The group had come from Changle, Fuzhou, Lianjiang, and other places in Fujian Province. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1019 GMT 13 Jul 94; HK1807033194)

An increasing quantity of guns and ammunition has found its way into the PRC market over the last few years. According to the mainland police, 28,000 of the major cases reported last year were committed by armed criminals. There have been more of these kinds of cases in Guangdong, Guangxi, Yunnan, and Hainan than in other provinces and autonomous regions.

In Guangdong, for example, 700 robberies and murders were committed by armed criminals last year. Criminals primarily get their arms and ammunition from smugglers in Guangxi and Yunnan, which border Vietnam, Burma, and Laos, so the police are paying greater attention to smuggling activities in these areas. Over the last year, Guangxi alone cracked 189 arms trafficking cases, seized 346 firearms, 8,000 rounds of ammunition, and 360 hand grenades and mines. The mainland military and police forces have also tightened up arms control since last year by conducting a nationwide examination of arsenals and banning 150 shooting ranges from hiring out military weapons. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0841 GMT 9 Jul 94)

Beijing

Between 1991 and 1993, Beijing Municipality uncovered approximately 1,000 incidents of cigarette smuggling. A total of 5,000 cartons of cigarettes worth RMB 10 million were seized, but statistics have shown that this seizure makes up a mere 19 per cent of the total amount that was smuggled. Officials are convinced that State Tobacco Monopoly Administration cannot handle the problem by itself, and the customs authorities, public security departments, and administrations for industry

and commerce must join forces to curb cigarette smuggling. (Beijing ZHONGGUO XINWEN SHE in English 1201 GMT 6 Jul 94)

Fujian

The provincial higher people's court on 24 June sentenced 10 drug traffickers to death, including four Taiwanese, and meted out prison sentences ranging from seven years to life imprisonment to 19 drug traffickers.

The 10 drug traffickers condemned to death and executed on 24 June were: 1) Lin Quanchong, a 62-year-old Taiwan man, for smuggling 3,117.8 grams of heroin to Fuzhou in collaboration with five other drug traffickers; 2) Chen Xinxiao, a 43-year-old Taiwan man, for selling 90 grams of heroin in Xiamen in collaboration with another drug trafficker named Chen Zishun; 3) Chen Zishun, a 33-year-old Taiwan man, for selling 90 grams of heroin in Xiamen in collaboration with aforementioned drug trafficker Chen Xinxiao; 4) Wang Deyang, a 56-year-old Taiwan man, for smuggling 99 grams of heroin from Xiamen to Hong Kong; 5) Shen Jian, a 32-year-old Shanghai man, for selling 235 grams of heroin in Xiamen; 6) Zhu Jinlian, a 40-year-old native of Fujian's Putian County, for selling 343.4 grams of heroin in Xiamen; 7) Li Yongting, a 42-year-old native of Fujian's Tongan County, for smuggling from Yunnan and selling in Tongan County's Datong Town 380 grams of heroin; 8) Chen Sixin, a 27-year-old native of Fujian's Nanan City, for selling 245 grams of heroin in Nanan City; 9) Lin Zhengquan, a 33-year-old native of Zhejiang Province, for selling 1,198 grams of heroin in Fujian's Longhai County; 10) Sun Heyi, a 32-year-old native of Yunnan Province, for smuggling 450 grams of heroin from Yunnan to Fujian's Nanan City. (Fuzhou FUJIAN RIBAO in Chinese 25 Jun 94 pp 1, 3)

The Mawei District public security organ of Fuzhou City uncovered three motorcycle robber gangs and cracked 24 cases of motorcycle robbery, recovering 26 stolen motorcycles worth approximately RMB 500,000. (Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 9 Jul 94)

The provincial higher people's court on 20 June publicly sentenced in Fuzhou, Xiamen, Quanzhou, Sanmin, and Ningde a total of seven criminals involved in some seven major and serious economic cases. The three criminals condemned to death and executed on 20 June were: 1) Zheng Guo, former director of a savings bank under the Yong'an City Branch of the People's Construction Bank of China, for embezzling RMB 180,000 in public funds; 2) Zhang Zunpei, former deputy director of a savings bank under the Nanping County Branch of the Agricultural Bank of China, for using RMB 294,590 of public funds for gambling; 3) Wu Jian, a former cashier at the Xiamen Branch of the No. 4 Design Institute of the Ministry of Chemical Industry, for stealing RMB 148,720 of public funds. The four other criminals were

given prison sentences ranging from 15 years' imprisonment to a suspended death sentence. (Fuzhou FUJIAN RIBAO in Chinese 21 Jun 94 pp 1, 5)

During the January-June period, Xiamen's procuratorial organs placed on file for investigation and prosecution a total of 62 economic cases involving 84 people and RMB 7.0746 million, recovered stolen cash and goods worth RMB 2.745 million, and turned over to the court for prosecution 18 cases and 51 people. The number of major and serious economic cases and economic criminals handled by Xiamen's procuratorial organs in the January-June period rose by 221 percent and 250 percent respectively over the corresponding period of last year. The Xiamen City People's Procuratorate has decided to prosecute Zeng Mingxian, a former cashier at the Xiamen Industrial and Commercial Enterprises Consultative Center, for having transferred approximately RMB 2 million of public funds to his brother's company account, this being the city's biggest economic case this year. (Beijing ZHONGGUO XINWEN SHE in Chinese 0813 GMT 7 Jul 94)

Xiamen police arrested 83 criminals who had harassed local foreign-funded enterprises and hindered the development of the development zone. Last month, the Xiamen police arrested 334 law-breakers and seized stolen money and goods worth RMB 300,000. In the recent period, a number of local ruffians and despots have disturbed social order and normal production activities in enterprises by monopolizing building materials and contracts for construction projects and have engaged in blackmail. (Hong Kong WEN WEI PO in Chinese 13 Jul 94 p D4)

Fujian has set up a special 500-member inspection team to manage the cultural market and the entertainment industry. In late May, this team toured 2,100 night clubs, discos, and karaoke establishments across the province. They discovered that many of these establishments provided hostesses, who—apart from accompanying customers in drinking, singing, and dancing—also provide sex services, that most karaoke discs were smuggled from abroad, and that electronic TV game machines have become a social scourge. To date 30 hostesses in Fuzhou and 160 hostesses in Quanzhou have been put out of work, and 54 electronic TV game centers in Longyan have been closed down. For the time being, no licenses will be given to applications for opening night clubs, discos, or karaoke clubs. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0937 GMT 9 Jul 94)

Guangdong

During the first half of the year, the procuratorial organ of Shenzhen municipality has examined a total of 90 cases of economic crimes of corruption and bribery involving 112 people. Nine cadres at the division level were dealt with, and seven escaped criminals are being pursued. The procuratorial organ has arrested 62 economic criminals convicted of corruption and bribery, seized illegal gains worth RMB 28 million and HK\$2.9

million (Hong Kong dollars), and retrieved economic losses of RMB 38 million, HK\$2.8 million, and US\$1 million. (Beijing ZHONGGUO XINWEN SHE in English 0936 GMT 5 Jul 94)

The Provincial People's Procuratorate of Guangdong has announced that the Municipal Procuratorate of Shenzhen recently discovered a rare but very serious case of corruption, the worst of its kind so far. Between 1992 and June 1993, Wang Jianje, director of the Financial and Trade Division under the Municipal Planning Bureau, took advantage of his post and took bribes totaling RMB 4.8 million and US\$750,000 (about RMB 6.4 million). He fled into hiding overseas but was soon discovered and arrested with the assistance of Interpol. (Beijing ZHONGGUO XINWEN SHE in English 1401 GMT 13 Jul 94) Shenzhen officials have said that Wang will be tried publicly in a few months. (Hong Kong EASTERN EXPRESS in English 16-17 Jul 94 p 3; HK1607061894)

Another report adds that Wang was extradited from Thailand to China on 30 September last year. Wang and his mistress, Shi Yanqing, formerly a manager of a materials supply company in Shekou, allegedly accepted bribes in exchange for providing foreign exchange quotas and kept the money in a foreign bank account. (Hong Kong SOUTH CHINA MORNING POST in English 18 Jul 94 p 9)

In the first half of this year, the Shenzhen police received 870 reports from the masses against officials, of which 325 have been put under preliminary investigation. Ninety corruption cases involving 112 people were put on record for investigation, up 34.3 percent over the figure of the same period last year. Of the total cases, 77 were major ones involving 88 people. During the same period, the police punished nine officials at the section level, gave chase to seven criminals at large, seized stolen money totaling RMB 28 million and HK\$29 million, and recovered RMB 38 million, HK\$28 million, and \$1 million in economic losses. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0935 GMT 4 Jul 94)

Mr. Xie, a Hong Kong businessman who manages a printing shop in Dongguan, was kidnapped by thugs on 24 June. The kidnappers demanded a ransom of 337,000 yuan in cash. The Shenzhen Public Security Bureau apprehended three suspects, including Luo Hu and Ouyang Qiu, in a hotel room, where they also found the victim. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0724 GMT 16 Jul 94)

Guizhou

In the first five months of this year, Guizhou Province's procuratorial organs handled 1,619 corruption and bribery cases and filed 736 cases for investigation, representing an increase of 182 percent and 44.3 percent respectively over the same period last year. During this period, 2,746 cases of corruption and bribery were reported by the masses, and 72.28 percent of the 736 cases placed on file for investigation were serious. The

authorities handled 451 cases of corruption, bribe-taking, and embezzlement, an increase of 97 percent over the same period last year. A total of 443 cases involved amounts less than RMB 500,000; four cases involving amounts between RMB 500,000 and RMB 1 million; and four cases involving amounts above RMB 1 million. Serious major cases numbered 12, including 10 cases involving cadres at the deputy section head level, and one case involved a cadre at the rank of deputy department head. (Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 1 Jul 94)

Hainan

The Haikou Intermediate People's Court announced on 5 July the death sentences of seven criminals, who were immediately escorted to the execution grounds to receive their punishment. The crimes committed by these criminals included kidnapping, trading in firearms and ammunition, robbery, and deliberate assault. The court also sentenced a number of criminals who were convicted of disrupting social order to various terms of punishment ranging from jail terms to life imprisonment. (Beijing ZHONGGUO XINWEN SHE in English 1318 GMT 5 Jul 94)

Since the beginning of this year, procuratorial organs across Hainan Province have filed 99 corruption cases for investigation, up 25 percent over the same period last year. A total of 72 cases involved over RMB 10,000 each, accounting for 73 percent of the cases put on record. Seven corrupt officials at the section level and above were prosecuted, and RMB 10 million in cash and goods was recovered. In the January-May period, the organs investigated and dealt with 25 cases involving government officials, 25 percent of the cases put on record. The procuratorial organs also identified 24 economic criminal cases in government departments responsible for land transfer, shares, and futures. From January to May, Hainan's procuratorial organs investigated 66 economic criminal cases, up 37.5 percent over the figure for the same period last year, and brought 40 suits before the courts. A former deputy secretary general of the provincial government, a cadre of the Hainan Construction Bank, and a deputy presiding judge of a Haikou Intermediate People's Court were found guilty of corruption. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1034 GMT 4 Jul 94)

During the April-June period this year, Haikou City's public security organs successfully cracked a total of 422 criminal cases, including 255 major and serious cases; smashed 80 criminal gangs, including nine armed criminal gangs; arrested 353 criminals, including 28 armed criminals; rounded up a total of 1,653 unlawful elements; captured 176 escaped convicts; seized 104 guns, 241 bullets, 57 vehicles, and 1,189 grams of narcotics; and recovered stolen cash totalling RMB 647,000 and stolen goods worth RMB 4.56 million. On 5 July, the city's intermediate people's court held a public sentencing rally, at which a total of 17 criminals were sentenced, seven of whom were sentenced to death. The

seven condemned criminals were executed after the rally. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0547 GMT 6 Jul 94)

Heilongjiang

Three criminals who had stolen value-added-tax (VAT) invoices were executed in Heilongjiang on 14 July, while another accomplice in the same case was given a 13-year prison sentence. On 5 March, Deng Yucai, Sui Guohua, Wang Jiaqi, and Yu Min broke into the Hulan County Taxation Bureau warehouse and stole 800 books of VAT invoices (containing a total of 40,000 invoices) along with 800 books of duplicates (also numbering 40,000). They sold six copies for between RMB 3,000 and RMB 5,000. When the police began investigating the case, they stopped the sales and eventually set fire to the remaining stock.

Deng Yucai had earlier been convicted of killing Wang Yujuan, a former girlfriend. On 8 February this year, he strangled her, hit her with a dumbbell, cut her into pieces with a knife, and buried the body in a vegetable cellar in Harbin. The other three culprits also had prior criminal records. Gao Changli, Supreme People's Court vice president, said today said that counterfeiting, profiteering in, and stealing VAT invoices causes great danger to society. (Beijing ZHONGGUO XINWEN SHE in Chinese 1057 GMT 14 Jul 94)

Henan

The Henan Provincial Higher People's Court announced on 6 July that eight law-breakers were given severe legal penalties in six major embezzlement cases. The criminals Xi Liangqin and Gu Dejing were executed on the morning of 6 July in Nanyang.

Xi Liangqin, the president of a local college of traditional Chinese medicine, embezzled RMB 115,000 by secretly selling two cars in Guangzhou belonging to his unit in November 1986. He spent the money on a forged passport and illegally crossed the border from Shenzhen to Hong Kong, where he continued on to Bangkok.

Gu Dejin, formerly a cashier at the Yongyang Railway Station in Henan, embezzled 200,000 yuan from his office between September 1992 and March 1993. He fled in August of the same year, and on 2 October he robbed a taxi in Huaihua and drowned the driver in a rice paddy by the roadside. The court gave the six other criminals sentences ranging from three years in prison to suspended death sentences. (Beijing FAZHI RIBAO in Chinese 11 Jul 94 p 1)

Shaanxi

During the first five months of this year, the discipline inspection and supervision authorities throughout Shaanxi Province recovered RMB 9.8 million of economic losses by handling cases of discipline violation. They filed 15,428 cases for investigation and concluded 3,116. Four cases involved cadres at the provincial

department level, and 29 cases involved cadres at the county and city levels. Party or administrative disciplinary actions were taken against 685 people, including eight cadres at the provincial department level and 25 cadres at the county and city level. In addition, 73 people were brought to justice for their criminal activities. (Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 4 Jul 94)

Shanghai

Approximately 953 cases of embezzlement and bribery have been uncovered during the first half of this year in Shanghai, 2.8 times as many as that of the same period of last year. A total of 539 criminals were arrested in the cases, which involved RMB 130 million. Among these cases, 204 cases involved over RMB 50,000 in embezzlement, bribe-taking, or appropriating public funds of over RMB 100,000. Six cases involved illegal earnings of over RMB 500,000. Since the beginning of this year, 38 cases of bribery, embezzlement, and appropriation of public funds were committed by officials at the division level or higher. Of these, 32 cases were considered major ones, involving illegal earnings of over RMB 10,000. (Beijing ZHONGGUO XINWEN SHE in English 1340 GMT 13 Jul 94)

Shanghai uncovered 953 corruption cases in the first half of this year, 2.3 times that of the same period last year. A total of 539 people were arrested in connection with the cases, which involved RMB 130 million. The recent economic criminal cases have all had the following features: 1) They involve increasing amounts of money; 2) More government officials, especially law-enforcement cadres, are involved in cases of economic crime; 3) The number of corruption cases found in important economic departments refuses to drop; and 4) Group corruption continues to be a problem. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0713 GMT 13 Jul 94)

Over the six years since their founding, "offense-reporting" centers at all levels of procuratorial organs in Shanghai Municipality accepted and heard 92,317 reports, of which over 68,000—73 percent—were about graft, bribery, embezzlement, tax evasion, and other economic crimes. Over 8,300 cases reported by the masses were placed on file for investigation and prosecution, of which 4,440 were large cases involving more than 10,000 yuan and 260 were crimes perpetrated by cadres at and above the department level. Through investigation, RMB 160 million in illicit money and over RMB 200 million in economic losses were retrieved. During this period, nearly RMB 300,000 of monetary awards were granted to more than 1,200 informers. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1007 GMT 8 Jul 94)

Shanxi

From May to early July, the people's courts throughout Shanxi Province punished 2,966 criminals involved in

1,823 criminal cases. Of this total, 107 criminals were condemned to death, received a suspended death sentence, or life imprisonment, and 609 criminals were sentenced to prison terms of five years or more. (Taiyuan SHANXI RIBAO in Chinese 10 Jul 94 p 1)

Xinjiang

Over the last few years, the Xinjiang police have cracked 1,050 drug cases, arresting 2,600 drug traffickers and seizing 46 kg of marijuana and 20 kg of heroin. In the first half of this year alone, the Xinjiang police uncovered 289 drug cases, destroying 14 underground drug shops, arresting 390 drug-related criminals, and seizing 285 kg of marijuana, 8 kg of heroin, and 2.4 kg of opium. (Hong Kong ZHONGGUO XINWEN SHE in Chinese 1240 GMT 5 Jul 94)

Yunnan

The Provincial People's Procuratorate of Yunnan has reported that procuratorial organs throughout the province handled 1,599 economic criminal cases of all types in the first half of this year, up by 69.3 percent over the same period last year. They placed 903 cases on file for investigation, an increase of 55.5 percent over the same period last year, and concluded 595 cases, up by 58.8 percent over the same period of last year. They made decisions on whether to make prosecutions on 520 cases. In the course of handling cases, they retrieved ill-gotten money and property worth RMB 6.1844 million.

The cases handled and investigated by the procuratorial organs involved 14 cadres at and above the rank of bureau chief, including two cadres at the rank of prefectural and provincial departmental chief. A total of 502 major cases involved an amount above RMB 10,000, accounting for 55.5 percent of all cases handled and increasing by 190 percent over the same period last year. They handled 362 cases involving personnel in party and government leading organs, judicial and law-enforcement administrative organs, and economic management organs, accounting for 40 percent of all cases placed on file for investigation. From January to June this year, procuratorates throughout the province handled 2,362 crime reports handed in by the masses, up by 46.1 percent over the same period of last year; of these, 1,706 were bribery and other economic criminal cases, or 72 percent of the cases handled. The director of the provincial Radio and Television Department's Financial Affairs Section was arrested on 23 April 1994 for embezzling public funds in the amount of RMB 20,000. (Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 9 Jul 94)

Kunming City held an anti-narcotics rally on 24 June, at which the city's intermediate people's court sentenced to death a total of 23 drug traffickers involved in 17 drug trafficking cases. The 23 drug traffickers condemned to death and executed on 23 June included Hu Chunqiong, Zhang Hua, Zhou Fangman, and 20 others. More than 4,200 people from all walks of life in the city attended

yesterday's anti-narcotics rally. (Kunming YUNNAN RIBAO in Chinese 25 Jun 94 p 1)

In the first half of this year, procuratorial organs throughout Yunnan investigated 903 cases of economic crime and punished 14 law-breaking cadres at and above the county level. The Yunnan Provincial People's Procuratorate has released details of seven major and important graft and bribery cases which were cracked in the first half of this year:

1) Wu Congwen, former deputy secretary general of Qujing Prefecture CPC Committee, embezzled RMB 46,000 by illegally reselling imported cars from February to April 1993; 2) Fu Linwu, former head of the auditing and finance office of the Provincial Radio and Television Department, and his deputy Zhang Jialiang embezzled RMB 32,000 and RMB 19,000 respectively in the process of buying wireless electrical equipment from May 1992 to January 1993. Fu also embezzled RMB 104,000 of sales receipts in April 1993; 3) Zhang Shuqing, former deputy head of the supervision and auditing office of the Provincial Education Commission, misappropriated RMB 670,000 in December 1988 and gave the money to his son to run a company, purchase cars, pay rent, and settle debts; 4) Wang Guangzheng, former chief of Wenshan Autonomous Prefecture, took 13,000 in bribes; 5) Wu Chunjie, former assistant sales manager of the Kunming Haitong Securities Company of the Shanghai Jiaotong Bank, embezzled money and took bribes; 6) Guo Chuanwan, former head of the Qiaojia County Administration of Commerce, misappropriated public funds and took bribes; and 7) Chen Guomin, a former policeman with the traffic police detachment of the Dehong Autonomous Prefecture Public Security Office, took more than RMB 100,000 of bribes in the process of making arrangements for smuggling imported cars, and later over RMB 800,000 was found in his home.

With the exception of Chen's case, which requires further investigation, the other cases are being prepared for prosecution. (Beijing ZHONGGUO XINWEN SHE in Chinese 0956 GMT 8 Jul 94)

More Chinese Tourists Said Going Abroad

OW2007141594 Beijing XINHUA in English 1351 GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—While there has been a big inflow of tourists into China in recent years, an increasing number of Chinese tourists have flown out of the country to see the exotic sights.

The latest statistics show that a total of 2.3 million Chinese tourists have been to neighboring countries during the January-June period this year, up 24 percent over the corresponding period of last year and the number for the whole year is expected to come to four million, 300,000 more than in 1993 when the number was 3.7 million.

A senior official with the State Administration of Tourism (SAT) said that at the current annual growth rate of over 20 percent, the total number of Chinese tourists going abroad may come to 10 million by the end of this century.

Sun Gang, deputy director general of tourism, said in an interview with XINHUA here today that Chinese began to tour foreign countries in the late 1980s and the number has grown very fast thanks to the sharp rise in the incomes of Chinese citizens.

While the Chinese Government strictly bans public-funded overseas tours, it has further relaxed control over self-financed tours, Sun said.

According to the SAT source, more Chinese travel agencies will get permission this year to take up the overseas travel business.

The official explained that most of the Chinese tourist destinations are neighboring countries and regions, such as Thailand, Malaysia, Singapore, Hong Kong and Macao. But a growing number of Chinese tourists are going to Australia, New Zealand, the Republic of Korea and the Commonwealth of Independent States.

The deputy director general said Chinese tourists are mostly executives of township enterprises, individual businessmen, rich farmers, returned personnel from overseas, some scientists and Chinese citizens with relatives abroad.

Geographically, the official added, most of these tourists are from the coastal and border provinces, cities and regions such as Guangdong, Shanghai, Jiangsu, Zhejiang, Shandong, Yunnan and Heilongjiang.

Feng Zongsu, the spokesman for the State Tourism Administration, stated that the present exotic sightseeing arrangements are proper for the Chinese citizens, tours which take 5-12 days, with a rational price ranging from 5,000 to 20,000 yuan.

The spokesman cited the state statistics bureau figure as saying that the accumulated purchasing power of Chinese citizens is increasing at an average annual rate of 25 percent, and the savings deposits in both urban and rural areas had reached a record total of over 1,700 billion yuan by the end of the first half of 1994.

Red Cross Receives Overseas Donations for Floods

*OW2007150994 Beijing XINHUA in English 1434
GMT 20 Jul 94*

[Text] Beijing, July 20 (XINHUA)—The Red Cross Society of China has received more than 90 million yuan in donations from its overseas counterparts, since six provinces in southern China were hit by floods in June.

The donations include 44 million H.K. [Hong Kong] dollars collected by the Hong Kong Red Cross Society,

12 million H.K. dollars from the Hong Kong Government which was presented through the Hong Kong Red Cross Society, as well as materials and equipment donated by the Red Cross Society of Taiwan valued at about 28 million yuan.

An official of the Red Cross Society of China said that it has allocated 2.8 million yuan in relief funds along with 12 million yuan worth of medicine and materials to flood-stricken areas. Meanwhile, it has also helped send medical teams to the areas.

He said that allocation plans for donations from Hong Kong were jointly drawn up by the Red Cross Society of China and the Hong Kong Red Cross Society.

The first batch of materials donated by Taiwan's Red Cross Society was shipped to Guangzhou in early July, he said, adding that the second batch, including 600 tons of rice and 4,500 quilts, is expected to arrive in Guangzhou via Hong Kong soon.

The Red Cross Society of China will take into account the wish of donors in allocating the relief funds and materials, he said.

Efforts To Control Large Rivers, Lakes Reported

*OW2107082694 Beijing XINHUA in English 0738
GMT 21 Jul 94*

[Text] Beijing, July 21 (XINHUA)—China has been pouring a growing amount of money into projects to harness its big rivers and lakes.

Water-Conservancy Ministry officials say the investment allocated by the central government for this year's water conservancy projects has exceeded seven billion yuan.

The figure, plus investment from local governments and bank loans, is expected to surpass the total investment of 12.5 billion yuan for 1993.

Zhang Guoliang, deputy director of the Planning Department under the ministry, told XINHUA that the 12.5 billion yuan is about 2.6 times more than the investment of 4.9 billion yuan for 1990.

"The water-conservancy investment has been increasing and taking a growing share of the state investment in infrastructure in recent years," said the official.

He added that the investment in water conservancy has accounted for about three percent of the state investment in infrastructure in recent years, thanks to drastic increases after 1990.

"Chinese leaders have always put great importance on flood control," he said.

The first generation of Chinese leaders, such as late Mao Zedong, Zou Enlai and Zhu De, not only called on the whole nation to harness big rivers and lakes shortly after

New China was founded in 1949, but also took part in the construction work for reservoirs around Beijing, the official recalled.

The Chinese Government poured an average of seven percent of its annual investment in infrastructure into water conservancy during the two decades after 1958.

Throughout history the Yellow and Chang Jiang rivers overflowed frequently and thousands of people were killed and hundreds of thousands left homeless each time a major flood occurred.

The two largest rivers in China, which could affect hundreds of millions of people if they overflowed, have not overflowed during the past 45 years since 1949, thanks to the construction of thousands of reservoirs over the two river basins and improvement of their dikes.

Investment in water-conservancy facilities dropped to only 2.5 percent during 1981-1990, partly because of the drastic decrease in state revenues after the central government gave much of the country's financial resources to local governments to encourage regional development. "To remove the threats imposed by the two rivers, China has decided to invest hundreds of billion yuan to harness the rivers by building two big dams," Zhang said.

The Three Gorges dam and reservoir now under construction, which will cost hundreds of billions of yuan, will be among the largest of its kind in the world and enable the river's banks to resist the worst floods that could be expected in 200 years.

Meanwhile, China has started construction of the Xiaolangdi water-conservancy project on the Yellow river. It will be the second-largest project one after Three Gorges dam. The project will cost at least 10 billion yuan and the world bank has promised about one billion U.S. dollars in loans.

The Xiaolangdi project aims to enable the river's dikes to resist the worst floods to be expected in a still much longer period of time.

The total investment for water-conservancy projects under construction exceeds 100 billion (excluding the Three Gorges project), Zhang added.

Farmers Said To Prefer Profits Over Raising Sons
OW2107082994 Beijing XINHUA in English 0802 GMT 21 Jul 94

[Text] Changchun, July 21 (XINHUA)—Money is taking the place of male offspring in supporting the elderly in the rural Gongzhuling area in northeast China's Jilin Province.

Traditionally, Chinese farmers have raised several sons to support them when they reach old age. That is a major obstacle in carrying out the family planning policy in the rural areas of China.

Local farmers at Gongzhuling have developed the radical idea that money is more important than sons in supporting them when they are old.

"Children are raised for when parents become old," said a local farmer in Sandao village in Sidaogang township, "But if I had money, I would not need to worry about who would care for me in my old age. And so who would like to have so many children?"

Most people in the village have become prosperous through raising pigs in the past few years. Now, few of the villagers want to have a second child.

Liu Shuxia, who lives in Qinjiatun village and has had a daughter, is one of those who refused to have a second child last year.

"It would waste a lot of my time," said the woman who made more than 4,000 yuan last year by selling vegetables in the town. "I would rather spend the time making money."

The number of women of child-bearing age who have started to engage in trade and business in Gongzhuling city and its suburban areas tops 38,400, accounting for one-third of the total in business.

Local officials in charge of family planning said that more and more women of child-bearing age are refusing to have a second child. The number of cases of early marriage has also dropped.

Officials said that while they were unpopular among farmers in the past, they have become favorites now. More and more local farmers come to them asking for ways to become rich.

Science & Technology

Telecommunications Satellite Launch Within '48' Hours

OW2107062594 Tokyo KYODO in English 0613 GMT 21 Jul 94

[Text] Beijing, July 21 KYODO—China on Thursday [21 July] is preparing to launch its first telecommunications satellite since Australia's Optus B-2 satellite blew up in a post-launch explosion in December 1992.

Officials at the Xichang Satellite launch center in the southwestern province of Sichuan, said by telephone that launch preparations were going smoothly and expected the Apstar-1 to be launched within a 48-hour period beginning at 6:30 PM local time Thursday.

The Apstar-1, or Asia Pacific Satellite-1, made by Hughes Aircraft Corp. of the United States, is owned by Apt Satellite Co., an international consortium based in Hong Kong.

Apstar-1 will be launched on a long March 3 carrier rocket, said Yuan Bing, an Apt company official, adding that the precise time of launch "has not been finally decided."

Although experts say China's overall satellite launch record is good, the explosion of the Optus B-2 and an April 2 explosion of a Chinese weather satellite have cast doubts on the program's reliability, even though investigations into the Optus B-2 explosion did not conclusively pinpoint Chinese error. Bing said eight of Apstar-1's 24 transponders will be leased to China Telecommunications Broadcast Satellite Corp.

Reports from media in Hong Kong said major players in the satellite television industry, including CNN, ESPN-Asia, HBO Asia, Reuters Television and others, have shown interest in leasing the satellite's other transponders.

State Council Approves 2d Nuclear Plant for Daya Bay

HK2007154394 Beijing ZHONGGUO XINWEN SHE
in English 1235 GMT 20 Jul 94

[Text] Shenzhen, 20 Jul (ZHONGGUO XINWEN SHE)—The State Council has approved the project of China's second nuclear plant in Linao, a location close to Daya Bay nuclear plant. Specialists believe that the construction of another nuclear plant near that of Daya Bay will be safer and more advanced in technology.

Those specialists have taken part in the design, construction and management of Daya Bay plant for several years. They believe that, as the two plants are closely located and under the management of the same authority, there will be mutual support in technology and personnel as well as direct exchange of management experience.

Specialists also point out that the successful completion of Daya Bay nuclear plant has provided valuable experiences for the construction of the new one. In addition, a group of technicians have already been trained to meet advanced international standards. Thus the second nuclear plant to be built near Daya Bay will be more reliable in safety and more advanced in technology.

In case hazard has happened to one plant, it will not affect the other despite the fact the two are closely located, specialists say. This is because a pressurized water reactor (PWC) [abbreviation as received] has an in-depth protection system. Thus whenever there is an accident, the in-core will cool down automatically and the container will securely prevent the emission of any radioactive material.

Daya Bay Nuclear Plant Goes Into Full Operation

HK2107023994 Beijing RENMIN RIBAO in Chinese
17 Jul 94 p 1

["Dispatch" by staff reporters Wen Jiangyan (3306 3068 1750) and Chen Zujia (7115 4371 3946): "Daya Bay Nuclear Power Station Has Been Fully Completed and Gone Into Operation With Its Generated Energy Reaching 4.72 Billion Kilowatt-Hours"]

[Text] Beijing, 16 July (RENMIN RIBAO)—The construction of the two 900,000-kw-generating units of the Guangdong Daya Bay Nuclear Power Station has been fully completed. They were put into commercial operation on 1 and 6 July respectively, with their generated energy reaching 4.72 billion kwh.

At today's news conference, Zan Yunlong, general manager of the Guangdong Nuclear Power Joint-Venture Company Limited and others briefed conference attendants on the construction, production, and operation of the station and answered reporters' questions.

As a product of China's reform and opening up to the outside world, the construction project of the nuclear power station started its feasibility study in 1979 and the first tank of concrete was poured in August 1987. Through seven years of concerted efforts, all construction projects, including 92 buildings and 606 mechanical, electrical, and control meter systems, were completed. The results of the numerous experiments conducted according to the debugging program show that the two generating units' various major technical performance targets have met the requirements of the project design and supply contracts.

Since the two generating units were put into commercial operation, generating unit I has accumulatively generated 3.22 billion kwh of electricity and generating unit II, which was put into commercial operation two months ahead of schedule, has accumulatively generated over 1.5 billion kwh of electricity. So far the two generating units' generated energy has amounted to 6.3 billion kwh of more with the inclusion of the electricity generated during the debugging period. After going into operation, the load factor has become better than that cited in the feasibility study, generated energy has increased, and the cost of electricity has gone down correspondingly. It is expected that it will not be difficult to repay capital plus interest in 15 years as planned.

When asked of the treatment of the three wastes [waste gas, waste water, and industrial residue] after the generating units are put into commercial operation, General Manager Zan Yunlong said in reply: The Guangdong Nuclear Power Station attaches great importance to the treatment of the three wastes. Since the generating units went into operation, the discharge of the three wastes has been lower than the state's discharge standards. From January to June 1994, the discharge of radioactive inert gas and radioactive particles was 1/50 of the state standards and that of radioactive waste liquid was 1/5 of

the state standards. After 10 years of storage, waste fuel will be treated by other treatment plants. China has completely command of the treatment technology.

On 1 July, a stoppage accident of generating unit I, which was caused by leakage of its coolant (hydrogen) exceeding standards was a problem with which Chinese and foreign journalists were concerned. The general manager explained: It was a common accident and not a problem caused by operation and still less a nuclear accident. After the leakage, the unit was stopped for a check and Chinese and foreign experts were mobilized for a group consultation. The cause of the accident has been found out: A wire of the generating unit's stator punctured a ferromagnetic contaminant unit which was smaller than the size of a grain of rice and, ultimately, as a result hydrogen leaked into the water and water dripped from the generating unit.

Beijing Produces First Computerized Tomography Scanner

OW2007030794 Beijing XINHUA in English 0141 GMT 20 Jul 94

[Text] Shenyang, July 20 (XINHUA)—China has succeeded in producing its first CT [computerized tomography] scanner in Shenyang, capital of northeast China's Liaoning Province.

The major technical index of the machine is on a par with related overseas products, putting an end to China's entire dependence on foreign CT equipment.

The CT scanner, a high-tech product combining computers, precision equipment, electronic technologies, X-ray physics, medical engineering and fine materials, is one of the most efficient instruments for diagnosing various kinds of tumors.

At present, six plants of the United States, Japan and Germany monopolize the world market of CT scanners, each of which is priced at between 350,000 and one million U.S. dollars.

By the end of 1993, China had imported nearly 1,000 CT scanners. In 1990, the Shenyang-based Northeast University and Shenyang Dongyong Technology and Science Development Co., Ltd., initiated a plan to develop CT scanners on their own. The State Science and Technology Commission soon listed it as a preparatory program of the state "torch plan".

The Ministry of Aeronautics and Astronautics, the Shenyang Airplane Manufacturing Company, and the Ministry of Electronics participated in the project.

Military

Defense Ministry Reportedly Building Base in Shenzhen

HK2107031294 Hong Kong EASTERN EXPRESS in English 21 Jul 94 p 1

[By Bruce Gilley]

[Excerpt] China's Ministry of National Defence is building a military command and training centre in Shenzhen, in what analysts say is a provocative move in the leadup to the handover of Hong Kong in 1997. It is the second big military training centre in Guangdong province to be announced this month.

A 28-storey, rocket-shaped tower, with a firing range in the basement and a military command headquarters at the top, will stand at the centre of the Shenzhen complex, in Bao'an district, the Shenzhen Special Zone Daily reported. "The centre will provide a substantial material base for the training and education of civilian and military reserve forces," it said in a report on the ground-breaking ceremony held on Saturday. Attending the ceremony was the commander of the Guangzhou military region, Li Xilin, whose responsibilities include the training of the contingent of up to 10,000 People's Liberation Army soldiers to be stationed in Hong Kong when China resumes sovereignty over the territory in 1997.

Under secret Chinese military plans being drawn up for dealing with emergency situations in Hong Kong after 1997, Shenzhen is to serve as the first of three "support areas" for the PLA garrison in the territory, according to mainland military sources. Shenzhen would provide logistical and troop reinforcements in case of a military conflict involving Hong Kong, the sources said. "There is an effort under way to strengthen military preparedness in Shenzhen because of its key role in a crisis situation in Hong Kong," a source said. "The new centre is likely linked to this special situation."

John Frankenstein, a PLA expert at Hong Kong University, said it reflected "a new swagger and self-assurance" which has infused the PLA in the past year. "They're in the ascendancy. What's the use of being powerful if you don't show it?" But he expressed surprise at the location. "To put this centre in Shenzhen, right on our doorstep, is a little provocative," he said. [passage omitted]

Central Military Commission Cites 2 Units, 2 Soldiers

OW2007160294 Beijing XINHUA in English 1506 GMT 20 Jul 94

[Text] Beijing, July 20 (XINHUA)—The Central Military Commission of the People's Republic of China has recently issued four orders, citing two soldiers, a submarine crew and a mapping team.

According to these orders, Zeng Jiao, leader of the control platoon of a testing and transport company in the Second Artillery Force, was decorated with the title of "pace-setter in loving the army and mastering military skills."

Wang Lin, a senior coach of the swimming team in the Guangzhou Military Area command, was awarded a first-class merit citation for having trained a dozen outstanding swimmers who have broken world or national records.

The topographic team in the Lanzhou Military Area command was awarded a first-class collective merit citation for having fulfilled many mapping tasks in very harsh conditions with flying colors.

The crew of the submarine No. 11 in the submarine base of the Navy was given the title "the Underwater Pioneer Vessel" for having successfully fulfilled a series of important tasks including starting and testing a nuclear reactor in the submarine.

The circular orders called on all soldiers and officers of the people's liberation army to learn from them, carry forward the armed forces' fine traditions, and make more contributions to the modernization of the Chinese armed forces.

Economic & Agricultural

Column Cites Deng on Macroeconomic Control

HK2007110094 Hong Kong HSIN PAO in Chinese
15 Jul 94 p 34

["Beijing Political Situation" column by Jen Hui-wen (0117 1679 2429): "Commenting On and Analyzing Deng Xiaoping's View on Macroeconomic Regulation and Control"]

[Text] Beijing 13 Jul (HSIN PAO)—The Hong Kong and overseas media have recently spread rumors that Deng Xiaoping, hailed as the chief architect of China's reform and opening up, has expressed unhappiness about the fact that the macroeconomic regulation and control measures, which were adopted by the CPC collective leadership of the third generation in June of last year, have affected the rate of economic growth. Those holding this view speculate that this will lead to a break between Deng Xiaoping and Central Committee General Secretary Jiang Zemin and State Council Vice Premier Zhu Rongji, who is in charge of macroeconomic regulation and control. Friends in Hong Kong want me to provide some background materials to judge and assess whether or not the rumors are reliable. This is a very good proposal: we should fundamentally understand Deng Xiaoping's views on macroeconomic regulation and control and China's present economic situation since the implementation of macroeconomic regulation and control in June of last year.

Deng Xiaoping Says Regulation and Control Does Not Mean Repressing Development

According to a well-informed source from Beijing, having read the "Resolution on Several Issues Concerning the Building of the Socialist Market Economic Structure" (namely, "50 Points on the Market Economy") on the eve of the Third Plenary Session of the 14th Central Committee in November 1993, Deng Xiaoping issued the following instructions on how to handle well the relationship between augmenting macroeconomic regulation and control and accelerating economic growth: "It is imperative to augment macroeconomic regulation and control as well as central authority; however, we should not resort to the old ways of the planned economy in the past. There must be a demarcation line about what the central government should or should not do. It should not grab all power into its hands, otherwise, the enthusiasm of both localities and enterprises will be dampened. This precisely calls for a way out through reform to establish the central function of macroeconomic regulation and control. In conducting macroeconomic regulation and control, it is necessary to pay attention to coordinating the relationship between those regions enjoying rapid growth and those which are slow to develop; however, we should not slow the growth rates of the former. Development is the last word [fa zhan shi ying dao li 4990 1455 2508 4289 6670 3810]. Impoverishment is not socialism, nor is slow development. It is necessary and possible to maintain a comparatively fast growth rate. This is an opportunity that we cannot afford to miss. It is primarily necessary to seize this opportunity in conducting macroeconomic regulation and control. We should let developed regions develop still faster and let them bring along the backward regions in development; this calls for new state policies. Presently, there are certain difficulties and contradictions in resolving this issue, which should be settled precisely through macroeconomic regulation and control. Nevertheless, we should not slow the growth rate of the developed regions to make up for the backward regions' deficiencies, otherwise, no one will develop quickly. To my mind, the plan (referring to the "50 Points") to be adopted by the upcoming session (referring to the Third Plenary Session) is not bad, but it should be completed and perfected. It is necessary to embody support for agriculture and to consider how state-owned enterprise can emerge from their present difficult situation. It is necessary to lay special stress on the fact that the nonstate-owned economy has developed very fast over the past few years, but it is not enough, and we should encourage greater development."

Obviously, Deng Xiaoping believes macroeconomic regulation and control are indispensable, but that the goal is not to repress economic growth but to create normal conditions for development. Such being the case, it is imperative to pursue macroeconomic regulation and control in the market economy, while guarding against changing this into the macroeconomic regulation and control of the planned economy, so that China will not miss the opportunity of economic development. The

CPC's "50 Points" were formulated in accordance with Deng's concept. Deng's later speeches on macroeconomic regulation and control were all elaborations of this very concept.

A well-informed source says that the CPC third generation collective leadership has implemented, since June 1993, macroeconomic regulation and control aiming at ironing out confusion in the banking order at that time, and, basically, this has been conducted without stepping over the boundary of Deng's concept of macroeconomic regulation and control. Over the past year, China's banking situation has improved considerably. This has chiefly found expression in a sound situation in recovering banknotes and the large increase in bank deposits. In particular, foreign exchange rates have been stable up to now in the wake of the merger of the double-track system. A year ago, the exchange rate of the renminbi against the dollar dropped to 12 yuan to the dollar, and many foreign-funded enterprises and people were competing to dump renminbi for dollars; consequently, the devaluation of the renminbi seemed irresistible. Later, the Chinese central bank sold dollars and managed to stabilize the exchange rate. However, many people still forecast the repeated devaluation of the renminbi to a rate of 20 yuan to the dollar. However, just after New Year, China made an important step in the banking arena by abolishing the dual-price foreign exchange structure, with the market value as the sole exchange rate [as published]. The merger of the dual-price exchange rate of the renminbi did not cause panic buying of foreign exchange as expected by some overseas media, and the market in various places was quite quiet, with the exchange rate in the wake of the merger stabilizing at around 8.7 yuan to the dollar. Recently, the renminbi has risen somewhat. By the end of June, China's foreign exchange reserves had already exceeded \$36 billion, ahead of the Netherlands and ranking seventh in the world.

Zhu Rongji Is in Charge of Regulation and Control, His Merits Should Not Be Neglected

In the year since the implementation of macroeconomic regulation and control, cadres now know more about the market economy and have come to see that the implementation of the market economy does not mean absolute freedom in the economic arena, that it is about enterprises giving play to their own ability to unfold fair competition within the framework of the law; the government required by the market economy is one "which acts in some aspects, but refrains from action in other aspects," namely, some actions are taken in macroeconomic regulation and control, but no action should be taken regarding the operations of individual enterprises (refraining from arbitrary intervention); that macroeconomic regulation and control is a component of the market economy; and that reform calls for converting government functions with the effect that government functions should be shifted to the correct position—augmenting macroeconomic regulation and control and dealing less with specific affairs.

Macroeconomic regulation and control over the past year has laid the foundations for the further development of the market economy in China. In actual fact, macroeconomic regulation and control under the charge of Zhu Rongji was affirmed by Deng Xiaoping early this year; in addition, Deng instructed Zhu Rongji to "turn the bank [the People's Bank of China] into a genuine one," not a "company issuing banknotes" or, in particular, an unlocked "vault."

Deng Hopes for the Earlier Maturity of the CPC Third Generation

According to the well-informed source, while Deng Xiaoping supported macroeconomic regulation and control, at the same time he was worried that their would be a change to the macroeconomic regulation and control of the planned economy, which would dampen the enthusiasm of localities and enterprises and impede economic growth. On one occasion in May Deng said: "Whether central power should be greater or smaller should be decided by three criteria, namely, whether or not it is conducive to developing social productive forces, whether or not it is favorable to improving comprehensive national strength, whether or not it helpful to raising people's living standards; no general definition should be given. We have failed to find a satisfactory solution to this issue over the years. Chairman Mao was too rigid with centralization, which affected development. Since the Third Plenary Session of the 11th Central Committee, we have changed the practice of the past, with the consequential development of the economy. Now, this issue has become outstanding again. Where does the problem lie? In my opinion, we should not neglect historical experiences and lessons. On the other hand, it is necessary to discover and resolve problems from the angle of reform and development. Leading members of the third generation should make some new contributions." Deng's words show that he is not completely in favor of the existing practice, but it is quite beyond him to do anything about it. He has pinned his hopes on the leading members of the CPC's third generation to become mature as quickly as possible.

While inspecting Guangdong and Fujian in late June, Jiang Zemin said with regards to Deng's expectations: "I have all along advocated that those places where conditions are ripe should develop quickly, and those places where conditions are absent for the time being should create them and develop quickly." According to this, if the leading CPC members of the third generation stressed stability above all else in the first half of the year, they will gradually change to stressing reform and development in the second half of the year.

Thus we can see that Deng Xiaoping has pinned his hopes on Jiang Zemin and Zhu Rongji to genuinely pursue macroeconomic regulation and control of the market economy to accelerate economic growth. While Jiang Zemin and Zhu Rongji have further practiced "development is the last word."

Leaders Express 'Confidence' in Economic Policy Consensus

HK2107031194 Hong Kong SOUTH CHINA
MORNING POST in English 21 Jul 94 p 9

[By Willy Wo-Lap Lam]

[Text] The leadership has expressed confidence about forging consensus on economic policy at the Fourth Plenum of the Central Committee, which is tentatively scheduled for the second half of September. Chinese sources said yesterday the plenary session would address issues including a package of reform for state enterprises; the problem of stagflation; the need to continue with a tight-money policy; and a new deal for farmers. The initial plan was that at least half of the Central Committee members would stay behind in the capital to celebrate the 45th National Day with the masses, boosting political unity.

The sources said that the recommendations to be made at the plenum would be hammered out in a series of informal meetings to be held this week at the North China seaside resort of Beidaihe. They said the meetings, which will last until the end of August, would culminate in a Central-level Work Committee on the Economy, which will precede the plenum.

The transformation of state enterprises, 47 per cent of which are losing money, has been postponed to the first half of next year. Vice-Premier Zhu Rongji has ruled that there will be no large-scale privatisation of the state sector. Sources close to the decision-making process said that in view of labour unrest in areas including northeast and central China, Mr Zhu had decided that reform of government enterprises could only be accomplished after the establishment of a social security system. "The plenum will decide on a social security system to which the Government, factories and workers will contribute," a source said. "Bankruptcies of the most inefficient firms will be tried out in at least 18 cities. All laid-off workers will be paid a subsistence wage."

Mr Zhu, who opposes the large-scale conversion of state companies into shareholding concerns, has recommended that reform of the state enterprises be restricted to "transforming their management mechanisms", which includes granting them more autonomous powers.

Economists in Beijing said that the plenum would also tackle the worsening problem of stagflation. It is understood that because of a drop in consumer demand, the percentage of the products of state factories ending up in storages has increased. "In March and April, Zhu selectively relaxed the money supply to provide certain state enterprises with more working capital," one economist said. "Because of flaccid demand, however, these enterprises fail to sell their products, resulting in precious capital being tied up."

At the plenum, Mr Zhu is expected to reiterate Beijing's commitment to a tight-money policy at least until early

1995. He will call upon cadres and entrepreneurs, particularly those along the coast, to stop raising funds outside the banking system to finance their fixed-assets investments.

The plenum will endorse a set of proposals drawn up by Mr Zhu to curtail the prices of producer goods for the nation's hard-pressed farmers. One measure is to cut down on the number of middlemen so that farmers can secure fertilisers and other raw materials at near-wholesale prices from the major manufacturers.

'Roundup' Views Economic Situation in First Half

HK2007133094 Hong Kong TA KUNG PAO in Chinese
19 Jul 94 p 1

["Roundup" by Li Ping-hua (2621 3521 5478): "Zhu Rongji Uses Three Sentences To Assess Economy"]

[Text] Beijing, 18 Jul (TA KUNG PAO)—Vice Premier Zhu Rongji recently said when talking about China's economic situation that economic work this year can be described by three sentences: First, the overall situation is good; second, it is not generally good but quite good; and third, compared with the same time last year, it is much better now. However, we must also see the problems, mainly in three areas: First, we underestimated the great achievements of rapid economic development throughout the country since early 1992 when Deng Xiaoping gave his southern tour talks, and we overemphasized the problems arising from this process; second, we inadequately understood the great and profound significance of the basic framework of the socialist market economy system, which was thoroughly promoted on the basis of the achievements made in macro-regulation and control last year, and we underestimated problems arising from the process of reform, especially reform of the taxation system; and third, we underestimated the difficulty of changing mechanisms within state enterprises, overemphasized the seriousness of the problems arising from this process, and misjudged the causes of the problems.

Bumper Harvest of Summer Grain

This morning, the State Statistics Bureau held a news conference to brief everyone on the situation of China's economy in the first half of this year, and to prove with facts the accuracy of the central leadership's assessment of the economic situation.

From figures released by the State Statistics Bureau, we can see that in the first half of this year China's economy continued to operate swiftly and the economic returns of industry developed in a good direction.

China has had a bumper harvest of summer grain this year, and output reached 104 billion kg, 4.6 billion kg less than the record set last year. The tendency to neglect agriculture has been stopped, the whole party and people across the country have attached more importance to agriculture, and the basic position of agriculture has been

strengthened. Various measures to protect peasants' enthusiasm for farming have been promulgated, and as a result, agricultural production has begun to pick up. Recently, grain prices have increased. Although the price index, which began to fall in March, has rebounded a bit, peasants are very happy and greatly encouraged, and this is a necessary condition for agricultural production. Of course, hidden worries in agricultural production still exist, the adverse effects of neglecting agriculture often surface only after one or two years, and the importance attached to agriculture will not produce immediate results. Several big fluctuations in China's economy all began from neglecting agriculture, and the central authorities have already learned from this somber lesson. The bumper harvest of summer grain this year was realized on the basis of a reduction of 12 million mu in the area of farmland. The area of farmland across the country and particularly in the developed coastal region continues to decrease, and this is still a problem which merits our attention.

State Enterprise Have Improved Efficiency

The operational and production situation of state enterprises is a topic which has concerned people at home and abroad in recent years. According to statistics, at the end of June, 46.3 percent of state enterprises were losing money, and the amount of losses had increased by 22.8 percent over the same period last year, therefore, it seems that the situation does not allow optimism. However, the departments in charge of economic affairs offered a more objective explanation. First, reform of the accounting system converted the hidden losses of the past into open losses, but the actual situation is not worse than last year. Second, reform of the property rights system enabled some state enterprises to convert to joint-stock or joint-venture enterprises, which were not listed again as state enterprises; as a result, profitable state enterprises were cut out, leading to an increase in the number of loss makers. In fact, the overall efficiency of state enterprises has been increasing season after season, and in the second quarter of this year they halted a trend of falling profits and began a trend of rising profits, realizing profits of 30 billion yuan. It is true that the operation and production situation of state enterprises is improving. The departments in charge of economic affairs have already basically understood and grasped the difficulties facing state enterprises, and the State Economic and Trade Commission is formulating measures and methods to tackle difficulties in the course of deepening reform to enable state enterprises to really display their vitality.

The excessively high inflation index is of concern to the broad masses of people, and Zhu Rongji has said explicitly: "Price increases have a bearing on the people's minds and social stability."

Continue Efforts To Control Prices

Along with economic, legal, and administrative means adopted by the government to control prices, the trend of

increasing prices has begun to slow, and the factors which caused last year's price increases have weakened. The State Statistics Bureau said that in the second half of this year, control over social demand—especially investment demand—will continue. Along with the strengthening of government control over prices, random price increases will be brought under control. At present, China has abundant stocks of goods, and for an absolute majority of goods there is a balance between supply and demand, if, in fact, supply is not bigger than demand. Residents have a stable mind regarding consumption, and it is believed that the price index will fall month after month. The government is still working hard to keep the price index below 10 percent.

In particular, what is worth pointing out is that the several reforms China launched early this year to change the macromanagement system—reform in the areas of revenue, finance, foreign exchange, and investment—are unprecedented in terms of their scale. Operation over the past six months have been more stable and smooth than originally expected. After a period of transition, a macrosystem to manage the Chinese economy will take shape, and this will further promote the building of a socialist market economy system.

Opening Up to the Outside World Being Upgraded

The Chinese Government's original plan was for GNP to increase by 9 percent this year. But growth reached 11.6 percent in the first half of this year, and the State Statistics Bureau predicts that in the second half of this year the economic trend will roughly maintain the pattern seen in the first. It is therefore very likely that this year's growth will exceed 10 percent. In addition, problems arising from development will gradually alleviate and be solved. Therefore, China will still see a year of rapid development this year, and the operational trend will get better and healthier.

In the first half of this year, China continued to maintain a good trend in attracting foreign capital. Although the number of approvals granted for new foreign investment projects was smaller than in the same period last year, agreed funds increased. With the addition of the arrival of funds for projects agreed in the past, the actual utilization of foreign funds in the first half of this year increased by over 50 percent compared with the same period last year. The scope of foreign investment expanded, the investment direction and investment structure improved, and direct investment by powerful and influential transnational companies increased. This reflects that China's opening up to the outside world is being upgraded and also indicates that foreign businessmen and investors are confident about China's economic development.

Rural Industries Growing 'Fairly Fast' Jan-Jun

*OW2007144094 Beijing XINHUA in English 1321
GMT 20 Jul 94*

[Text] Beijing, July 20 (XINHUA)—Chinese rural industries grew by 44.8 percent, with the total industrial output value reaching 1,210 billion yuan (134.4 billion U.S. dollars) during the first six months of this year, an official said here today.

The speed is fairly fast, but much slower than in the same period of last year when it was 60-70 percent, said Qi Jingfa, director of the Township Enterprises Department of the Ministry of Agriculture.

Qi said that the sales volume kept in step with industrial output value, which grew by 55 percent to reach 1,004.5 billion yuan (111.6 billion U.S. dollars). In addition, rural enterprises delivered about 118 billion yuan (13.1 billion U.S. dollars) worth of goods for export, 55.2 percent more than in the first half of 1993 and paid 59.5 billion yuan (6.6 billion U.S. dollars) in taxes, about 35 percent more than the first six months of last year.

Despite the high growth rate, the official said, more rural reported losses and some even went bankrupt due to an acute shortage of funds and heavier tax burdens.

China this year introduced a unified tax rate for both state-owned enterprises and rural ones, which means a higher tax rate for the latter.

The rapidly expanding rural firms have contributed much to local financial resources and have provided about 112 million jobs for a vast number of surplus rural laborers.

"By the year 2000, rural firms will account for half of the total national industrial output value," the director said.

Last year, the total output value of rural industries reached 2,900 billion yuan (322.2 billion U.S. dollars), accounting for one-third of the gross national industrial output.

Beijing Cracks Down on Illegal Textile Transshipments

*HK2007154694 Beijing ZHONGGUO XINWEN SHE
in English 1103 GMT 20 Jul 94*

[Text] Beijing, 20 Jul (ZHONGGUO XINWEN SHE)—According to the regulations jointly made by the Ministry of Foreign Trade and Economic Cooperation, the General Administration of Customs and the State Administration for Inspection of Import and Export Commodities in China, any enterprise involved in illegal activities of textile transshipment will be subject to direct and serious punishment.

Some enterprises in China transship textiles via third countries or regions to countries who impose textile quota limits on China. By putting false labels on textile products or other means, they make their goods appear

as if manufactured in countries other than China, thus they can get round textile quota limits agreed upon through bilateral textile trade negotiations between the import country and export country. Such behaviour has damaged China's image and is inconsistent with China's obligations under the bilateral trade agreements, jeopardizing the international trade order.

In view of these intolerable practices, governmental organizations in Beijing such as the municipal Economic and Trade Commission, the Customs of Beijing and the Beijing Administration for Inspection of Import and Export Commodities are planning to join effort in cracking down any activity of illegal transshipment of textile products. Any enterprise involved in illegal textile transshipment will have to be penalized, apart from the punishment imposed by the General Administration of Customs and the State Administration for Inspection of Import and Export Commodities, in the following way. First, two times as much as the illegal transshipment volume is to be deducted from the basic quota of the export company, and the deducted quantity will not be resumed. Illegal earnings of those which have no quota at all will be confiscated. Second, enterprises which are blindly involved in illegal textile transshipment activities but with no harm done abroad will be fined or publicly reprimanded [sentence as received].

MOFTEC Regulations on Banning Textiles Transit

*HK2107075994 Beijing GUOJI SHANGBAO in Chinese
29 Jun 94 p 2*

["Ministry of Foreign Trade and Economic Cooperation Interim Regulations on Penalizing Illegal Transit of Textiles (Promulgated in May, 1994)"]

[Text] Circular on Promulgation of "Ministry of Foreign Trade and Economic Cooperation Interim Regulation on Penalizing Illegal Transit of Textiles":

PRC General Administration of Customs, State Administration of Import and Export Commodities Inspection, and People's Liberation Army General Logistics Department's Economic Development Bureau, provincial, autonomous regional, and municipal economic relations and trade commissions or departments and foreign trade bureaus, economic relations and trade commissions or departments and foreign trade bureaus of cities listed separately in the state plan, chambers of commerce for textile industry, light industry, crafts industry, food industry, local products industry, and animal husbandry, relevant corporations, relevant industrial and trading companies, as well as export quotas and permits management bureaus:

"Ministry of Foreign Trade and Economic Cooperation Interim Regulations on Penalizing Illegal Transit of Textiles" comes into force upon promulgation.

Illegal textiles transit cases left unresettled since the former Ministry of Foreign Economic Relations and

Trade issued its No. 1 Circular in 1991 shall be dealt with in accordance with the following regulations."

Article 1 The following regulations have been formulated in accordance with "PRC Ministry of Foreign Trade and Economic Cooperation Measures for Managing Textiles Export Quotas" and "PRC Ministry of Foreign Trade and Economic Cooperation, General Administration of Customs, and State Administration of Import and Export Commodities Inspection Regulations on Prohibiting Illegal Transit of Textiles" with an eye on severely banning, cracking down on, and penalizing illegal transit of textiles.

Article 2 The following regulations are applicable to textiles production, processing, and export enterprises listed in the relevant textiles agreements between China and countries imposing textiles import quota restrictions (including foreign-funded enterprises). These enterprises are hereinafter called "enterprises" for short).

Article 3 Enterprises shall be prohibited from engaging in the following illegal textiles transit activities or activities involving illegal textiles transit:

1. Labeling China-made textiles as products made in other countries or regions,
2. Exporting above incorrectly labelled textiles,
3. Transporting China-made textiles to other countries or regions for simple processing before transiting them as products not made in China to countries imposing textiles import quota restrictions,
4. Transiting unlabeled textiles to countries imposing textiles import quota restrictions, thus avoiding textiles import quota management,
5. Transiting China-made textiles to countries imposing textiles import quota restrictions by resorting to deception.

Article 4 Ministry of Foreign Trade and Economic Cooperation (hereafter called "MOFTEC" for short) shall mete out according to the seriousness of cases following punishments to foreign-trade enterprises found violating Article 3 of this "Regulations":

1. Circulating a notice of criticism,
2. Instructing provincial, autonomous regional, municipal, separately listed city (hereinafter called "local" for short) foreign economic relations and trade management departments to investigate legal persons representing enterprises and find out who is to blame,
3. Imposing a fine equivalent to 15-30 percent of the total business volume mentioned in the contracts,
4. Confiscating profits of the whole deal,

5. Cutting enterprises' textiles export quotas by an equivalent percentage or a higher percentage, or cutting textiles export quotas of areas where enterprises are located provided that enterprises are placed under textiles export quota restrictions,

6. Suspending or banning enterprises from applying and bidding for new textiles export quotas,

7. Suspending or banning enterprises from exporting or processing textiles with imported materials,

8. Suspending or banning enterprises from doing foreign trade,

These punishments shall be meted out either one by one or together.

Article 5 MOFTEC shall mete out according to the seriousness of cases following punishments to non-foreign trade enterprises found violating Article 3 of this "Regulations":

1. Circulating a notice of criticism.
2. Instructing administrative departments to take administrative disciplinary measures against or impose a fine on legal persons representing enterprises or whoever responsible for such violation.
3. Circulating a general order banning all domestic foreign trade enterprises from purchasing textiles from and canceling the registration code (MID) [as published] of enterprises.
4. Rejecting applications by enterprises for foreign trade or joint venture operation.
5. Cutting down on textiles export quota of areas where enterprises are located by an equivalent percentage or higher percentage.

These punishments shall be meted out either one by one or together.

Article 6 MOFTEC has the right to mete out according to the seriousness of cases punishments mentioned in Article 4 and Article 5 of this "Regulations" to enterprises found violating Article 3 of this "Regulations" no matter whether enterprises have been penalized by customs or commodities inspection authorities or not.

Article 7 Enterprises found violating Article 3 of these "Regulations," thereby incurring grave losses to state or violating state laws, shall be investigated and dealt with by judicial organs in accordance with state criminal law.

Article 8 MOFTEC shall investigate or authorize local foreign economic relations and trade departments to investigate enterprises involved in illegal transit of textiles.

The enterprises being investigated should actively cooperate with investigation and provide the following information:

1. Comprehensive information concerning textiles export.
2. Names and addresses of export, transit, and import companies,
3. Contracts or written orders, bills of landing, commercial invoices, as well as originals or copies of customs declarations.
4. Samples of textiles for export.
5. Receipts concerning textiles export.

MOFTEC shall severely punish in accordance with Articles 4 and 5 of these "Regulations" enterprises refusing to cooperate with investigation or enterprises providing false information or forged evidence.

Article 9 MOFTEC shall publish in newspapers a list of foreign, Hong Kong, Macao, and Taiwan enterprises found violating Article 3 of these "Regulations" as well as people responsible for such violations and shall circulate a general order banning domestic foreign trade enterprises from doing business with these enterprises.

Article 10 MOFTEC shall reward enterprises or individuals reporting or giving clues to cases of illegal textiles transit in the following ways:

1. Offering cash rewards.
2. Assigning enterprises with larger textile export quotas.

Article 11 The above regulations come into force upon promulgation.

More Nuclear Power Plants To Be Built by Year 2000

HK2107013494 Beijing ZHONGGUO XINWEN SHE in English 1530 GMT 20 Jul 94

[Text] Beijing, July 20 (CNS)—According to sources provided by relevant department, China will build more nuclear plants before 2000 to achieve a capacity of 10 million kilowatts.

In China, there is an uneven distribution of energy resources. 70 percent of its coal resources are located in the Northwest while water resources mainly concentrate in the Southwest and Northwest. Whereas coastal areas with a booming economy only have one percent coal resources and less than six percent water resources. As coastal areas consume 70 percent of the country's energy, it is imperative for nuclear power to be developed in these areas.

As early as 1990 the Ministry of Power Industry began the preliminary work by choosing provinces like Guangdong, Fujian, Zhejiang, Jiangsu, Shandong and Liaoning.

Based on investigations, the electric departments have made a proposal which says that the development of

nuclear power should speeded up to achieve a capacity of 20 million kilowatts in 2010. By 2020 it should reach a capacity of 40 to 50 million kilowatts, which is six percent of the country's power generation.

Post, Telecommunications Industry Fulfills Quotas

HK2107031594 Beijing XINHUA Domestic Service in Chinese 0430 GMT 15 Jul 94

[By correspondent You Xin (1429 2946)]

[Text] Beijing, 16 Jul (XINHUA)—China's post and telecommunications industry continued to grow at a fairly rapid pace in the first half of this year, further increasing its capacity. The industry overfulfilled one and a half years ahead of schedule several of the principal production quotas laid down in the "Eighth Five-Year Plan." By late June, the number of telephones installed in urban and rural areas totaled 48.1 million, more than the 48 million set by the Eighth Five-Year Plan; business trunk lines and automatic trunk switchboard terminals increased to 533,000 and 1.54 million respectively, overfulfilling the planned quotas by 2.5 and 28.3 percent respectively.

Statistics show that the industry's turnover for the first six months of this year hit 30.34 billion yuan, up 49.3 percent over the figure for the same period last year. The industry's fixed-asset investment was 16.5 billion yuan, an increase of 9.15 billion yuan over the figure for the same period last year. In the first half of this year, several new postal and telecommunications services grew rapidly; the volume of postal savings amounted to 78.1 billion yuan, up 52.5 percent; and the number of express mailings stood at 16.4 million, up 104 percent. In the first half of this year, an additional 4.52 million telephones were installed, increasing the number of household telephones to 21.85 million; the number of pager users increased to 7.878 million, up 100 percent; and the number of mobile telephones reached 9.87 million, up 200 percent. It is understood that while there was a sharp increase in the number of household telephones, there was also an increase in the number of telephone installation applications. By the end of 1993, 1.89 million applications had been received and the number increased to 2.18 million by the end of the first quarter this year.

At present, the key projects launched by the Ministry of Posts and Telecommunications are proceeding smoothly. The optical cable linking Xian and Chengdu was put into trial operation in March this year; the eastern section of the optical cable linking Beijing, Tianjin, Shenyang, Changchun, and Harbin was put into trial operation in June; the 2,180-km-long Lanzhou-Urumqi section of the optical cable linking Xian, Lanzhou, and Urumqi was laid in late June this year, and it is hoped the whole project will be accomplished by late August; and the 38,000-square-meter main postal service hub building, located at Beijing's western passenger

railway station, has been completed, and it is hoped the whole project will be accomplished late this year.

Contract Signed on German Pharmaceutical Joint Venture

*OW2007150094 Beijing XINHUA in English 1353
GMT 20 Jul 94*

[Text] Shijiazhuang, July 20 (XINHUA)—A contract was signed yesterday with Hoechst AG of Germany to jointly build the North China Pharmaceutical Factory.

The first stage of the joint venture will cost 38 million German marks. The second will cost 50 million and the third 50 million. After it is completed, the venture will be the largest pharmaceutical factory in the country.

The new factory will mainly produce antibiotics and medicines to treat diseases of the cardiovascular system.

Government Circular on Lightening Farmers' Burdens

*OW2007161694 Beijing XINHUA in English 1540
GMT 20 Jul 94*

[Text] Beijing, July 20 (XINHUA)—The Chinese Government recently issued a circular, urging all localities to lighten farmers' economic burden and protect their legal rights and interests.

The circular was issued after the central authorities examined the report filed by the Ministries of Agriculture, Supervision and Finance, the State Planning Commission and the Bureau of Legislative Affairs of the State Council on the examination of the burdens of the peasants in 1993.

The circular noted that it is a basic policy in the party's rural work to lighten farmers' burdens and it urged all areas and all departments to take absolute and strong measures to solve the problem.

All the top leaders of the party committees and governments of all levels are required to take responsibility for the work and the serious cases concerning the farmers' burdens should be dealt with seriously.

According to the report by the five major government departments, the burdens of the peasants were lessened by more than 10 billion yuan in 1993 and the tendency of extortions and indiscriminate imposition of fees was brought under control. But the problems remained far from being resolved thoroughly.

Big Grain, Cotton Growing Counties To Get Huge Loans

*OW2007161794 Beijing XINHUA in English 1538
GMT 20 Jul 94*

[Text] Beijing, July 20 (XINHUA)—The Chinese central government has decided to give 6.5 billion yuan in loans

to 650 major grain and cotton producing counties and reclamation areas annually in the next five years, according to sources from the State Planning Commission.

The loans will be used to develop the local economy in these counties in an all-round way so as to ensure a quick increase in income for farmers there.

In the past, the counties provided the state with large amounts of marketable grain and cotton. However, most of them had little industrial output value, leaving them poor in revenue.

Starting from this year, the state will offer five billion yuan every year to major grain-producing counties and 1.5 billion yuan to major cotton-producing counties. The loans will be used to help the counties develop diversified economy and farm produce and sideline product processing industries for the purpose of ensuring a steady increase of their grain and cotton production.

However, any of the counties which fail to fulfill the state quota of grain and cotton purchases for three years on average will no longer be qualified for the loans.

In detail, the sources said, the loans will be used to develop famous-brand, native or fine-quality products in the agricultural, forestry, livestock and fishing fields; establish breeding, production, processing, storage and transport systems for the above-mentioned products; set up comprehensive wholesale markets of farm produce and sideline products; and improve the comprehensive service system for the whole process of agricultural production.

Water Projects Help Harness Floods in Tai Hu Valley

*OW2107054294 Beijing XINHUA in English 0429
GMT 21 Jul 94*

[Text] Shanghai, July 21 (XINHUA)—Construction of large water-conservancy projects has helped raise the anti-flood capacity in the Taihu River valley, an east China area vulnerable to flooding.

The Taihu Lake valley houses several large and medium-sized cities, including Shanghai, Nanjing, Hangzhou, Suzhou, Wuxi, Changzhou, Zhejiang and Jiaxing, which occupy important positions in national economic development.

Surrounded by mountains, river dykes and sea embankments, it is difficult for the lake to discharge excess water during the flood season.

After suffering a specially large flood in 1991, local governments and people in the valley joined hands in constructing flood drainage projects.

While raising funds themselves, they borrowed 200 million U.S. dollars from the World Bank for the construction.

East Region

Hefei Court Issues Rulings on 12 Serious Criminals

OW2107092694 Hefei ANHUI RIBAO in Chinese
6 Jul 94 p 1

[Text] On the morning of 4 July, the Hanshan County People's Court held a 10,000-strong public trial to pronounce the court's rulings on 12 criminals who had committed crimes of disseminating pornographic materials, theft, robbery, and manslaughter. The court also sent Jia Sifa, who had murdered and chopped a man into pieces in the county's most serious manslaughter case, to the execution ground for execution.

Jiangsu Man Executed for Killing Two Students

OW2107094294 Nanjing XINHUA RIBAO in Chinese
2 Jul 94 p 3

[Text] The case in which two primary school students were killed and which shocked and outraged cadres and the masses of Yancheng City underwent first trial at the Yancheng City Intermediate People's Court. Defendant Qiu Liangjun was sentenced to death and deprived of political rights for life on charges of intentional manslaughter, kidnapping, and blackmailing. The defendant refused to accept the sentence and lodged an appeal. After a trial by the Jiangsu Provincial Higher People's Court, the appeal was rejected and the original ruling was upheld. On the morning of 30 June, the Yancheng City Intermediate People's Court complied with the Provincial Higher People's Court's execution order.

Qiu Liangjun, 21, was a native of Liming Village of Jianhu County's Shangtong Town. As early as the winter of 1993, he began to have the idea of kidnapping people to blackmail others. After planning for a long time, he rode a bicycle to the Yancheng City Malu Primary School at 1600 on 18 June and tricked students Xu Ji and Yang Yang out of school and then cruelly slaughtered them. He was captured by the local public security organ at about 2300.

After the incident occurred, the public security, procuratorial, and judicial organs of Yancheng City closely cooperated with each other, enabling them to quickly investigate the case, capture the killer, and try and conclude the case. It was only 11 days from the occurrence of the incident to the execution of the killer.

Shandong Military District Holds CPC Congress

SK2107070894 Jinan DAZHONG RIBAO in Chinese
8 Jul 94 p 1

[By reporters Wang Wu (3769 2976) and Li Guanrong (2621 0385 2837): "The Fifth Party Congress of the Provincial Military District Convened"]

[Text] From 5 to 6 July, the fifth CPC congress of the Shandong Provincial Military District was convened in Jinan.

Attending the congress were Jiang Chunyun, member of the Political Bureau of CPC Central Committee and secretary of the Shandong Provincial Party Committee; Zhang Wentai, deputy political commissar of the Jinan Military Region; and Liu Guofu, political commissar; Yi Yuanqiu, commander; Zheng Guangchen, Han Yonglu, and Wang Baoshu, deputy commanders; and Yang Juqing, deputy political commissar of the provincial military district. The congress listened to, examined and discussed, and approved the work report of the fourth party committee of the provincial military district and the work report of the discipline inspection commission of the provincial military district, and elected the fifth CPC committee and the discipline inspection commission of the Shandong Provincial Military District. Jiang Chunyun was elected as the first secretary of the provincial military district's party committee.

Comrade Jiang Chunyun made an important speech at the congress. He held: A powerful army and a strong national defense are always the powerful backing of reform, opening up, and modernization drive, and are also the reliable guarantee for consolidating the state power, as well as for the people to live and work in peace and contentment. It is imperative for us to clearly understand the situation and our tasks, strengthen the sense of historical mission, work hard to do a good job in the construction of the army, the militia, and the reserve forces, and contribute to defending and enhancing the economic construction, and safeguarding the motherland's peaceful reunification and social stability. In order to fulfill this, we should conscientiously pay attention to the following issues: First, we should insist on employing Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm our minds and guide our action. Second, we should mobilize the people's militia to actively participate in the socialist modernization drive and bring into full play the militia's leading and backbone function in aspects such as developing production, supporting the poor and aiding the stranded, rushing to deal with an emergency and sending relief to a disaster area, building key construction projects, supporting the departments of public security to safeguard public security, and learning from Lei Feng to foster new practices. We should conscientiously carry forward the guideline of supporting military training with productive labor and engaging in productive labor and performing militia duties at the same time, work hard for developing economy, and contribute our efforts to invigorate the local economy. Third, we should take a further step to strengthen the construction of the militia and the reserve forces, achieve high-standard success in the task of "putting the work of the people's militia on a solid basis organizationally, politically, and militarily," and enhance the fighting ability of people's militia in a modern war. Fourth, we should further improve the party building and construct the party organizations at

all levels. The military and the local authorities should closely coordinate with each other in an effort to together achieve success in the construction of the party committee leading bodies of the people's Armed Forces departments in counties (cities, districts), bring into full play the function of the "forefront headquarters" of people's Armed Forces departments at the county level, and ensure the smooth and healthy development of the work of the entire province's militia and reserve forces.

Comrade Liu Guofu, entrusted by the fourth CPC Committee of the Shandong Province Military District, made a report entitled "Rallying Ranks To Fight, Pioneering a Cause With Painstaking Efforts, and Working Hard To Push Forward the Overall Development of the Construction of the Army, the Militia, and the Reserve Forces of the Military District." He held: In recent years, the party committee of the provincial military district persisted in employing the theory of building socialism with Chinese characteristics and Comrade Deng Xiaoping's thinking towards the army building in the new period as guidance; followed Comrade Jiang Zemin's general requirements for "being politically qualified and militarily competent, having a fine work style, maintaining strict discipline, and being assured of adequate logistical support"; carried forward resolutely the guidance of the Jinan Military Region's party committee and Shandong Provincial Party Committee; and led the broad officers and men in the entire district to satisfactorily fulfill all the tasks. In the five years hereafter, to strengthen the overall construction of the army, the militia, and the reserve forces, we should give prominence to achieve success in arming the minds with the theory of building socialism with Chinese characteristics and ensuring that the army remains politically qualified all the time; carry forward in a profound way the guideline of military strategy in the new period and take a further step to upgrade our fighting ability under modern conditions; strengthen the selection, cultivation, and education of the cadres and build a competent cadre contingent; pay attention to the task of the militia and the reserve forces and promote the construction on the reserve forces of the national defense; uphold the principle of administering the army according to the law and administering strictly; put into effect comprehensively the "outline of the military grass-roots construction" and continue to upgrade the overall level of the grass-roots construction; do a good job actively in the logistical task under the new situation and meet the demand of being effective in logistical support; and adapt ourselves to the characteristics of the new system and achieve success in upgrading equipment and technology. Liu Guofu also made some requirements on promoting party building and party leadership.

Comrade Yang Juqing, entrusted by the discipline inspection committee of the provincial military district, made a report to the congress. When reviewing and summing up the tasks in recent years, he held: To do a good job in discipline inspection under the new situation, we should correctly handle the relationship between discipline inspection and the general task of the

army as well as bring into full play the guarantee and service functions of discipline inspection; maintain a proper balance in the relationship between reform and innovation on the one hand and strict enforcement of discipline on the other; strengthen with unremitting efforts the awareness of policy and discipline; properly deal with the relationship between bringing about a temporary solution and affecting a permanent cure, as well as work hard to upgrade the basic quality of the party cadres. From now on, we should continue unswervingly to safeguard the political discipline of the party, pay profound and sustained attention to the building of party style and administrative honesty, improve the discipline education, supervision, and inspection, and strive to guarantee the satisfactory fulfillment of all the tasks which was confirmed in the fifth party congress of the provincial military district.

Zhang Wentai, deputy commissar of the Jinan Military Region, made a speech at the congress.

Shandong Secretary Talks With Investigation Group

SK1907042794 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 18 Jul 94

[Text] From 4 to 18 July, a nine-member group dispatched by the Central Discipline Inspection Commission to investigate the anticorruption work and headed by (Liu Fahe), head of the discipline inspection group of the Supreme People's Court and An Zhendong, vice chairman of the central committee of the Jiusan Society, deeply and carefully investigated Shandong Province's situation in strengthening the buildup of party style, improving administrative honesty, and waging the struggle against corruption.

On the morning of 18 July at Jinan Nanjiao Guesthouse, talks were held between the comrades of the investigation group and Jiang Chunyun, secretary of the provincial party committee; Liu Wenquan and Han Xikai, deputy secretaries of the provincial party committee; Tan Fude, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission; Sun Shuyi, standing committee member of the provincial party committee and secretary of the provincial political science and law commission; and responsible comrades of the provincial discipline inspection commission.

During the talks, (Liu Fahe), head of the investigation group, fully affirmed Shandong Province's efforts to wage the struggle against corruption and strengthen the buildup of party style and the improvement of administrative honesty.

He said: In waging the struggle against corruption, the principal party and government leaders in Shandong Province have persistently assumed sole responsibility, personally grasped the anticorruption work, and persistently kept no changes in the system of joint meetings sponsored by party and government leading comrades

and attended by responsible comrades of all departments concerned as well as the system of departments concerned assuming responsibility for the fulfillment of their divided work. Thus, a situation of management in concert has preliminarily taken shape. Noticeable achievements have been made in fulfilling the three anticorruption work tasks. The leading comrades of the province have earnestly practiced what they advocate, been self-disciplined and honest in performing official duties, and played an exemplary role. All levels have made great headway in investigating and handling cases. The province has great determination in dealing blows to smuggling activities and has forcefully punished the smugglers. The corruption of unhealthy trends is being deepened step by step. Simultaneously, all localities have set some good examples in being honest and diligent in performing official duties.

(Liu Fahe) also pointed out where Shandong lags behind and the problems in waging the struggle against corruption and set forth many good opinions and suggestions.

Jiang Chunyun said that the dispatch of a group to our province by central authorities makes our province further enhance its determination and confidence to firmly carry the struggle against corruption through to the end and forcefully promotes us to further grasp the fulfillment of the three anticorruption work tasks.

Jiang Chunyun pointed out: Our province has made appropriate achievements in the struggle against corruption. However, the achievements must not be overestimated. We still lag behind the requirements of the central authorities and the masses. The development of a trend is not even enough. Some major and appalling cases are not being investigated and handled at a fast speed. From now on, we should firmly attend to fulfilling the three tasks for opposing corruption, eliminate both root causes and symptoms, and fundamentally solve problems. We should educate party members and cadres with an accurate outlook on life and an accurate world outlook and enable them to know for whom they work, to grasp power, and to serve. It is necessary to set up and perfect an effective supervision mechanism and to carry out the mechanism that cadres should make their affairs-handling and work systems be visible to the public so as to accept supervision by the masses. We should ceaselessly study the new situations in opposing corruption, ceaselessly sum up successful experiences and practice, guard against paralysis and self-satisfaction, avoid becoming lax, and wage a struggle against corruption in an unswerving, profound, constant, and more effective way.

Shanghai Man Executed for Manslaughter

OW2107095394 Shanghai WEN HUI BAO in Chinese
8 Jul 94 p 2

[Text] On 7 July, the Shanghai Municipal Intermediate People's Court, carrying out the Shanghai Municipal

Higher People's Court's execution order, sent Tan Longru, who had committed intentional manslaughter, to the execution ground for execution.

In 1988, Tan Longru became general manager of the Shanghai Municipal Land Reclamation, Agriculture, Industry, and Commerce Joint Corporation. During his tenure, he had an affair with his unmarried female driver Wang and impregnated her several times, which all resulted in abortions. In August 1991, Tan Longru was transferred to the post of general manager of the Shanghai Municipal Zhongguo Travel Service Company. Fearing that his affair with Wang might be exposed, he and his driver Jin Jianan devised a meticulous plot in June 1993. At midnight on 16 October 1993, they tricked Wang to come near the Chaoyin Pavilion in Zhejiang's Haiyan County, killed and chopped her into pieces, and threw them into the sea.

On 16 May 1994, the Shanghai Municipal Intermediate People's Court sentenced Tan Longru to death and Jin Jianan to life imprisonment on charges of deliberate manslaughter, and deprived them of political rights for life. After the first trial, Tan Longru refused to accept the ruling and lodged an appeal.

The Shanghai Municipal Higher People's Court conducted a second trial of the case, rejected the appeal, upheld the original ruling, and approved the death sentence for Tan Longru.

Shanghai To Broadcast Financial News Via Satellite

HK2007150494 Beijing ZHONGGUO XINWEN SHE
in English 1120 GMT 20 Jul 94

[Text] Shanghai, 20 Jul (ZHONGGUO XINWEN SHE)—Financial news broadcast through transmission of a satellite by the Shanghai Eastern Broadcasting Station will be on air on August 1.

The station made public the statement in a press conference this afternoon. The financial radio section will use the satellite information transmission network possessed by the Shanghai Securities Exchange to send financial news rapidly, timely and accurately to main cities across the country. The coverage of this financial radio includes information on securities, futures, foreign exchange and interest rate at home and abroad as well as authoritative comments. The radio also features music and amusement programmes.

The Shanghai audience can tune in to the radio at FM 97.7 megahertz. Starting from July 18 the financial radio section transmitted radio signals to securities exchange venues in 400 cities across the country by using the sound channel involved in the Shanghai Securities Exchange satellite information transmission network. The transmission was quite satisfactory.

The director of the broadcasting station, Mr. Chen Shenglai, said that the financial radio would fully use the

satellite transmission technology together with the status Shanghai possesses as a financial centre. The radio will become a centre for collection, processing and transmission of authoritative financial information.

Central-South Region

Guangdong's Economy 'Developing Steadily'

OW2107055294 Beijing XINHUA in English 0427
GMT 21 Jul 94

[Text] Guangzhou, July 21 (XINHUA)—Although people still need time to adapt to the reforms in finance, taxation and foreign trade and although Guangdong had been hit by a major flooding, Guangdong's economy has been developing steadily and the overall economic environment has been improving.

In the first half of this year the gross domestic product (GDP) of Guangdong increased by 16 percent over the same period of last year. The export volume increased by 120 percent over the same period of last year.

The improvement of the overall economic environment can be seen in the following aspects:

First, the industrial production growth has become moderate. Statistics show that the accumulated industrial output value produced by township industries reached 239.94 billion yuan (about 27.6 billion U.S. dollars) in the first half of this year, a 22.4 percent increase over the same period of last year, a comparatively moderate level.

Second, control over the investment in fixed assets is effective. From January to June the province converted to investment in infrastructure a total of 29.27 billion yuan, an increase of only 33.6 percent over the comparative figure of last year.

Investment fever in real estate has cooled down, with the land development area decreasing 30 percent over the same period of last year. With the halting or postponing of a number of luxury villa construction projects, the housing construction focus is on improving the housing conditions of ordinary citizens.

Third, the financial situation is stable. Price hikes have been effectively contained. Since the beginning of this year bank deposits from enterprises have risen, individual bank savings increased and loans risen steadily.

The consumption index for Guangdong residents has risen 21.2 percent and price rises slowed from February.

Grain supply was normal after the flooding in June. Grain prices kept steady. Supplies of vegetables, fruits, meat and aquatic products also kept at steady levels.

With the improvement in transportation and energy supply, foreign investment in Guangdong has been increasing continuously.

The financial income and taxes from industry and commerce have both increased by over 40 percent.

Guangdong Zone Advances Toward Technology Orientation

OW2007160194 Beijing XINHUA in English 1511
GMT 20 Jul 94

[Text] Guangzhou, July 20 (XINHUA)—Shantou Special Economic Zone in Guangdong Province, one of the five special economic zones in China, has set a strategy of turning itself into a scientific and technological special zone.

Xu Deli, party secretary of Shantou city, said that Shantou will make efforts to develop the new and high technology industry.

He said the projects for developing new and high technology will be stressed not only in the high-technology development zone, but also in the bonded zone and southern district of Shantou, a special economic zone set up 14 years ago.

In his recent inspection tour of Guangdong Province, Chinese President Jiang Zemin said that the special economic zones should make more efforts in readjusting economic structures and accelerating the development of the new and high technology industry.

Shantou has achieved some progress in this direction, Xu said, noting that Shantou is short of scientific and technological personnel, which has hindered the city from being transformed into a scientific and technological zone.

He said that the Shantou government will enhance the development of education to cultivate more talents to meet the demands in this regard.

A dozen scientists from the Chinese Academy of Sciences will go to Shantou to cooperate in running technology-oriented enterprises.

Shantou city and the counties under its administration have collected about 120 million yuan for the development of its educational services.

Guangdong Said Unwilling To Aid Poor Provinces

HK2107023794 Hong Kong SOUTH CHINA
MORNING POST in English 21 Jul 94 pp 1, 9

[By Willy Wo-Lap Lam]

[Text] Guangdong province has been criticised by the Chinese leadership for refusing to provide economic aid to the nation's backward regions. And Vice-Premier Zhu Rongji's has been rebuffed in his attempt to persuade Guangdong to make an extra contribution of at least 16 billion yuan (HK\$14.28 billion) to central funds.

Chinese sources said yesterday that at a recent conference on regional economic disparity held by governors

and mayors in Beijing, Guangdong turned down requests by the State Council that the wealthy province make available more financial aid to western and heartland areas. "Guangdong cadres expressed reluctance to bail out the poor regions, citing the fact that they had been badly hurt by the ongoing tight-money policy," said a conference source. "The cadres insisted that their priority was helping impoverished counties in northern Guangdong, whose inhabitants still have problems with food and clothing."

The source said that by contrast, well-off areas such as Jiangsu, Shanghai and Shandong had demonstrated a more "caring" attitude. "Leaders from Shanghai and Jiangsu opened their remarks by thanking Beijing for policies that have enabled them to get rich ahead of the pack," the source said. "While they did not commit any funds to the poor regions, the cadres said they would relocate plants and technicians to the inland and western provinces." Economic analysts said while Shanghai and Jiangsu had succeeded in pleasing Beijing, theirs was a qualified act of altruism. The analysts said the two places had only promised to relocate low-technology and labour-intensive industries such as textiles to the west.

It is also understood that at the one-day conference, State Council leaders called on practically all coastal provinces and cities to provide funds, technology and trained personnel for the poor regions. The leaders also admonished Guangzhou to live up to the spirit of "helping different parts of the country seek common prosperity".

Meanwhile, when touring Guangdong last week, Mr Zhu sounded out local leaders on a contribution of 16 billion yuan to 18 billion yuan to central funds. This "extra-legal sum" is on top of the regular tax and other payments that provincial authorities have to give the national treasury every year. Finance sources said Guangzhou had been making "emergency" contributions to the central Government since the early 1990s, estimated at around five billion yuan in 1992 and between 14 billion and 16 billion yuan in 1993.

The sources said that in view of the austerity programme, Beijing's current demands were just slightly more than those of last year. However, the recent flooding and the need for Guangzhou to make major repairs to dams and highways had given the provincial leadership a good pretext to turn down the request. While in Guangdong, Mr Zhu, who is also Governor of the People's Bank of China, quizzed cadres at the local branches of the central bank about the financial health of the province. "Zhu Rongji returned to Beijing without getting any commitment from Guangdong officials about the contributions," a Guangdong source said. "The officials told Mr Zhu that while provinces such as Guangxi and Hunan were getting substantial aid from Beijing for flood relief Guangdong had to rely on its own resources.

Western diplomats in Beijing said it was unlikely that Guangzhou could get away without satisfying at least some of the centre's demands. Because of powerful lobbying by heartland and western provinces, Beijing has decided to adopt a "regional sliding policy" in investment. Central-level officials and economists are mapping up a long-term economic plan that runs to the year 2010. It is understood that to help redress regional imbalances, the experts have recommended that more state investments, particularly those in infrastructure, be made away from the coast. The bulk of development loans that Beijing has acquired from Western countries and Japan will also be spent on the poor provinces. It is estimated that up to 75 percent of the yen loans that Tokyo will grant China in the late 1990s will be spent in impoverished areas.

In the past week, central and local officials have held at least three major conferences on stopping the polarisation of wealth in eastern and western China.

Internal Publications Outnumber Public in Guangdong

HK2107023694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1216 GMT 16 Jul 94

[Text] Guangzhou, 16 Jul (ZHONGGUO TONGXUN SHE)—"The craze in running internal publications is gaining momentum without restraint!" This was a sigh uttered by Mr Yang, head of the press administration office of Guangdong Provincial Press and Publication Administration.

In the past two years, running publications has become a craze for many party and government departments and social groups in Guangdong. In a medium-sized city with a population of 300,000, there is only a newspaper published for the public, whereas as many as 14 internally-published newspapers came into existence over the past two years. In another medium-sized city whose economy is not so developed, only five kinds of newspapers and periodicals are published for the public, but there are as many as 78 types of internal publications. At present, over 120 newspapers and over 300 periodicals are published for the public in Guangdong, but the numbers of internally-published newspapers and periodicals exceed 300 and 500 respectively.

According to relevant State and provincial regulations, internal publications cannot be distributed by post offices, cannot be sold to the public, and cannot advertise and carry out business activities. However, all the internal publications are, almost without exception, now breaking the above-mentioned rules. Rather than remaining "internal," these publications have marched to the street and spared no expense in occupying the space of book stalls and newspaper stands in cities. Moreover, they are counting on executive means by responsible organs to apportion distribution, to tout for advertisements in an arbitrary manner, and to carry out various business activities in a comprehensive way.

'Eco-Agricultural' Zones Expand in Hubei*OW2107061694 Beijing XINHUA in English 0115
GMT 21 Jul 94*

[Text] Wuhan, July 21 (XINHUA)—Central China's Hubei Province has made strides in developing farming by improving ecological conditions over the past decade.

According to information from the provincial bureau of agriculture and animal husbandry, the province has established 92 ecological agricultural experimental zones with an aggregate area of 646,667 hectares in its 51 counties and cities, benefiting 5.69 million local residents.

Last year, the total agricultural output value created in these zones, including three national ecological agricultural experimental ones, increased by 20 percent over that in 1992.

The per capita annual income of local farmers rose to 901 yuan, 130 yuan more than the corresponding figure of 1992 and higher than the provincial average. The per capita annual income of the farmers in some areas, such as Jingshan and Yicheng counties, has surpassed 1,000 yuan.

The provincial government began to experiment with eco-agricultural projects in 1984, with the aim of helping to hold back the decrease and misuse of farmland and controlling soil erosion in the province's rural areas compatible with the principles of agro-ecology.

Thanks to the efforts to promote ecological farming, Honghu City, which is named after a local lake, saw its output of aquatic products increase to 75,000 tons last year, netting a total output value of 330 million yuan from breeding, which made up 33 percent of its agricultural output value for the past year, according to the officials.

Southwest Region**Article Views Accelerating Tibet's Development, Stability***OW2007053494 Lhasa XIZANG RIBAO in Chinese
4 Jul 94 p 3*

[Article by Yin Qingyan (3009 1987 6056): "Ensure Stability and Accelerate Development—What I Learned from Studying Comrade Deng Xiaoping's 'Have Our Feet Planted in Equality Among Nationalities and Speed Up Tibet's Development'"]

[Excerpts] In the long years of carrying out China's revolution and construction, our party has integrated Marxist theory on nationality with the reality of China's nationality issues; blazing a path of correctly handling nationality issues with Chinese characteristics and developing a complete theory, principle, and policy. Comrade Deng Xiaoping, the chief architect of China's socialist modernization, has made outstanding contributions in

this regard. The article "Have Our Feet Planted in Equality Among Nationalities and Speed Up Tibet's Development" in Volume 3 of the *Selected Works of Deng Xiaoping* is a distinguished example of his specific study of and guidance on work in Tibet. It serves as the fundamental guidance for work in Tibet now and for a fairly long time to come.

In studying and handling major issues at home and abroad, Comrade Deng Xiaoping always knows how to operate from a strategically advantageous position in analyzing problems and making a decision. He has admonished us repeatedly that, in approaching a problem we must have the overall situation—the overall situation both at home and abroad—in mind. This should be our fundamental starting-point for studying, examining, and solving Tibet's problems under the new situation.

Today, international forces hostile to us do not want to see a China that is strong. Following the changes in the former Soviet Union and Eastern Europe, they hope to see China disintegrate and be weakened. They leave no stones unturned in their vain attempt to stir up domestic chaos in China, interfering in China's internal affairs and exerting pressure on us by making use of the "human rights issue." The repeated attempts by some Western nations to attack us at the annual UN meetings on human rights or the support they give secessionists abroad have made their intent patently clear. With a view to accomplishing the scheme of an "independent Tibet," secessionists outside the borders are trying in every possible way to win over the masses in the realm of ideology. They make use of illegal broadcasting, audio and video products, printed materials, rumor-mongering, and other methods in an attempt to infiltrate and confuse the Tibetan people's minds so they can fish in troubled waters. We must not lower our guard and shut our eyes to such attempts. In the struggle between secessionism and anti-secessionism, comrades on the ideological front must launch attacks on their own initiative and bring into play their role of furnishing ideological guarantees and media support to the modernization drive. [passage omitted]

Comrade Deng Xiaoping said: As far as Tibet's work is concerned, "the question is, what is in the interests of the Tibetan people and what can we do to accelerate development in Tibet." This idea is in complete agreement with the idea of three criteria [help to develop the productive forces of our socialist society, increase our country's overall strength, and raise the people's living standards] used for judging the success of reform and the open policy he later laid down. It is the three criteria put into concrete terms in the context of Tibet. Since the Third Plenary Session of the 11th CPC Central Committee, the state has adopted a range of effective measures to speed up economic and social development in nationality areas. The economy of nationality areas has, however, been dropping yearly in terms of percentage points of the national economy as a whole, widening the gap between them and the coastal regions. There are,

certainly, a host of historical, geographical, and social factors for the gaps and it is impossible to wipe them out in a short period of time. According to Comrade Deng Xiaoping's plans, the regions that have prospered first can help the economically backward regions by submitting more tax and revenue, transferring technology, and so forth. However, "It is not a good idea to do so early on ... [ellipsis as published] It is conceivable that when we have achieved a relatively comfortable standard of living by the turn of the century, we can pay greater attention to addressing and solving this issue." [p 374, Volume 3 of the *Selected Works of Deng Xiaoping*]

The decision of the CPC Central Committee adopted at the Third Plenary Session of the 14th CPC Central Committee points out: "The masses will be encouraged to enhance their sense of a market economy, make full use of the advantages offered by local resources, and gradually develop ways and means to overcome poverty and achieve prosperity by relying on their own efforts." This is the only way for Tibet to speed up its development and narrow gaps with the inland. To build a new socialist market economic structure, we must explore ways to accomplish the "four combinations" under the conditions of a market economy; that is, combining state economic assistance to Tibet with self-reliance; combining state efforts to develop resources in Tibet with prosperity and the Tibetan people's specific interests; combining Tibet's resource advantages with the strong points of the inland and coastal regions in human, financial, and technical resources; and combining Tibet's economic development with the development of its intellectual resources.

As the chief architect of China's reform and opening up, Comrade Deng Xiaoping not only systematically devised a grand blueprint and fundamental strategy for China's socialist modernization but also, as he did in Volume 3 of the *Selected Works of Deng Xiaoping*, he pointed out the direction for Tibet's development. This is a great honor for the Tibetans. We must make earnest efforts in studying the guidelines of Comrade Deng Xiaoping's instructions and do solid work so that the world, impressed by high efficiency, fast tempo, and a new outlook which have never been seen before on the Xizang Plateau, will treat us with increased respect. And, thus live up to Comrade Deng Xiaoping's expectations of a Tibet that "marches at the head of China's four modernizations."

North Region

Beijing's GDP Grows 13.4 Percent in First Six Months

HK2107061994 Beijing CHINA DAILY in English
21 Jul 94 p 2

[By Cao Min: "Beijing GDP Increases 13.4% In First Six Months"]

[Text] Beijing's gross domestic product (GDP) rose 13.4 per cent in the first half of the year to reach 47.878 billion yuan (\$5.536 billion).

Fan Guozhu, chief of the Municipal Statistics Bureau, said Beijing's over-all economy continued to develop smoothly and rapidly from January to June.

Total industrial output hit 58.94 billion yuan (\$6.81 billion), increasing 21.9 per cent over the same period a year ago.

But 1,594 industrial enterprises, or 24.2 per cent of the city's industrial firms, were in the red at the end of May.

Fan said losses were incurred mainly by firms in nine industries including printing, farm machinery and medicine.

These firms lost a total of 890 million yuan (\$103 million), 150 per cent more than in the same period last year.

Non-State firms were responsible for most of the growth of industrial output. Their production rose 55 per cent, compared with a rise of 1.3 per cent by State-owned enterprises, Fan said.

State-owned firms face difficulties such as a shortage of funds and management problems while they transform their operations to suit a market economy.

The output of the foreign-funded firms hit 9.25 billion yuan (\$1.07 billion), up 55.7 per cent over the first six months of last year.

Beijing continued to attract overseas investment, with 1,268 foreign-funded firms approved by the municipal authorities.

Investment rose in the key areas of urban infrastructure and industries such as energy sources and raw or semi-finished materials.

Per capita income for urban residents increased 51.2 percent and the total wages of urban employees grew 50 per cent.

Hebei Secretary Attends Poverty Reduction Meeting

SK2107074194 Shijiazhuang HEBEI RIBAO in Chinese 5 Jul 94 p 1

[By reporter Yang Jinzhi (2254 6855 2655): "Resolve Food and Clothing Problems for the 7.06 Million People Stricken by Poverty Within Seven Years"]

[Text] Resolving food and clothing problems for the 7.06 million people stricken by poverty in the seven years from now to the end of this century is the major fighting goal of "Hebei's poverty reduction plan for the years from 1994 to 2000," decided by the provincial meeting on economic development of impoverished areas that ended on 4 July. This indicates that the province's

poverty reduction work has entered the most difficult stage of declaring war on absolute poverty.

Cheng Weigao, secretary of the provincial party committee, spoke on four opinions for implementing "Hebei's poverty reduction plan for the years from 1994 to 2000." He stressed: We should grasp the poverty reduction work by regarding it as a political task and should establish a responsibility system at each level to ensure the implementation of all targets and measures. Ye Liansong, governor of the province, made a speech entitled "Organizing the Whole Society To Vigorously Reduce Poverty." He demanded that all cities and prefectures as well as all departments and units should try their best to aid the poor by regarding the work as a major event and by truly listing it as an item on their daily agenda.

Yang Zhong, general office director of the State Council's Leading Group for the Economic Development of Impoverished Areas, was invited to make a speech at the meeting. On behalf of the provincial government, Vice Governor Gu Erxiong dwelt on his opinions on the province's poverty reduction plan.

According to statistics, by the end of 1992, the number of people having food and clothing problems in the province's rural areas was reduced from 10.01 million in 1985 to 7.06 million, the proportion of impoverished people in the province's total agricultural population dropped from 19.1 percent to 12.4 percent, the food and clothing problems of the overwhelming majority of the people in impoverished areas were resolved basically, and the poverty situation was reduced obviously. "Hebei's poverty reduction plan for the years from 1994 to 2000" definitely set forth the fighting goals for the development of impoverished areas in the next seven years. These goals mainly include four aspects. First, by the end of this century, we should steadily resolve the food and clothing problems for the 7.06 million poverty-stricken people in the province, make more than 90 percent of poverty-stricken households reach 500 yuan or attain 800 yuan in their annual per capita net income, and create a basic condition for extricating them from poverty. Meanwhile, we should make the per capita income of poverty-stricken townships and villages reach 500 yuan or more and should make 60 percent of them reach a level of being relatively better-off. While conscientiously resolving the food and clothing problems for these impoverished townships and villages, we should pay special attention to providing substantial support to the 2,748 villages in abject poverty and ensure that the per capita annual income of all of these villages reaches 500 yuan by 2000. Second, we should actively exploit and utilize local natural resources to develop the deep processing of agricultural and sideline products and the county and township regional economy so that over 90 percent of the impoverished counties and townships become financially self-supportive and so that it can shed the "subsidy" label. Third, we should go all out to plant trees and build forests to improve ecological environment and accelerate the building of infrastructure

facilities to basically resolve the problems of drinking water for people and domestic animals in extremely poor villages. We should also strive to make the overwhelming majority of absolutely impoverished poor villages accessible by power supply. Fourth, we should change backwardness in culture, education, and public health. We should universalize the six-year compulsory education in all impoverished townships and the nine-year compulsory education in 90 percent of impoverished townships to basically wipe out illiteracy among young and middle-aged people. We should vigorously conduct professional and technological education, gradually establish and perfect the radio, television, and telecommunications network, control and reduce the incidence of endemic diseases, and control the natural population growth rate within the scope stipulated by the province.

When making an analysis of the difficult points in fulfilling the poverty reduction plan, Gu Erxiong said: First, most of the people have problems in food and clothing, the 2,748 especially poor villages in particular, are concentrated in remote and backward mountainous areas, cold, highland areas, and areas designed for reservoir construction, so that residents are forced to relocate to other places. To resolve the food and clothing problems for the people in these areas, we must make even more efforts. Second, in the coming seven years, the province should resolve problems for at least 1.01 million people every year, an increase of 79.4 percent over the figures in the seven years from 1986 to 1992. Third, in the coming seven years, per capita income of the province's impoverished people should go up from the under 200 yuan of the present, to over 500 yuan, and efforts should be made to make the figure reach 800 yuan. Deducting the price rise factor, the yearly average increase rate must be kept at about 12 percent. This figure will greatly exceed the progress rate fixed for the project to enable the province's rural people to lead a comfortable life.

Gu Erxiong said: The CPC Central Committee and the State Council as well as the provincial party committee and the provincial government have paid high attention to aiding the poor. From now on, the province will earmark an additional 5 million yuan of funds every year to aid the poor based on the 20 million yuan allocated every year in the past. By 2000, this portion of funds will reach 55 million yuan and will be covered by the provincial financial budget. The provincial agricultural bank will also provide a certain amount of loans for aiding the poor every year. The various departments and bureaus directly under the provincial authorities will also formulate several preferential policies.

With regard to the idea for implementing the poverty reduction plan, Gu Erxiong said: We should persist in self-reliance under the guidance of market, should depend on scientific and technological progress to support the poor, should support the poor by persisting in reform and opening up, should give prominence to aiding the specially poor areas while promoting the work in an all-round manner, and should mobilize the whole

society to fight the battle of aiding the poor in line with the principle of combining development with aiding the poor.

It was learned that to fulfill the poverty reduction targets, the province will adopt a series of measures. These measures include: Assigning poverty reduction plan to each level and working out special plans for the abjectly poor villages whose per capita income was less than 200 yuan in 1992; guiding thousands upon thousands of households to cast off poverty steadily by mainly building projects; carrying out the "three-one-three" poverty reduction project to resolve the food and clothing problems for the 2.035 million people in 2,748 abject, poor villages in two groups within seven years; conscientiously carrying out various preferential policies to provide as much help as possible for impoverished areas; depending on scientific and technological progress to extricate the people from poverty and illiteracy; extensively mobilizing and organizing the whole society to participate in the poverty reduction work; and persistently combining poverty reduction with family planning.

The meeting also reiterated the central authorities' stipulation that before fulfilling the task of resolving the food and clothing problems, all impoverished counties are not allowed to buy luxury sedans, to build high-class guesthouses and reception halls, to build office buildings, and to convert themselves into cities.

Invited to the meeting were responsible comrades of pertinent ministries and commissions of the state, Beijing Municipality, and the Shandong provincial office for developing the impoverished areas.

Hebei Secretary Comments on Work of Aiding the Poor

SK2107024794 Shijiazhuang HEBEI RIBAO in Chinese 6 Jul 94 pp 1-2

[Text] From 3 to 4 July, Hebei Province sponsored a work conference on aiding the poor during which Cheng Weigao, secretary of the provincial party committee, delivered a speech in which he mentioned the following four opinions on how to implement "Hebei Province's 1994-2000 Plan for Overcoming Key Difficulties Crop-ping Up in the Work of Aiding the Poor":

1. Party committees and governments at all levels should grasp the work of aiding the poor to achieve developments by regarding the work as an important political task. Aiding the poor to achieve development is not an expedient measure, and represents a basic policy of the party. The socialist essence is aimed at emancipating and developing productive forces, eliminating exploitation, doing away with polarization, and finally reaching the level of common prosperity. In the great cause of building socialism with Chinese characteristics, we should attach great importance not only to accelerating development in areas that meet conditions to enable them to become wealthy in advance, but also on giving

unswerving support and assistance to poor areas so as to enable them to continuously emancipate and develop their productive forces, to narrow their gap compared with advanced areas, and to finally realize the social target of commonly becoming wealthy. Doing a good job in aiding the poor to achieve development has an important significance not only for the economy but also for politics. Whether we attach great importance to the work of aiding the poor in order to achieve development is not only a simple matter of general understanding, but also an important principle on whether socialism has been truly upheld.

We did a great deal of work in the past in aiding the poor in achieving development, and the outlook of poor areas showed varying degrees of changes. However, generally speaking the work has not been enough. If more than 10 percent of people in the province fail to deal with their problems of dressing warmly and eating their fill, we will be unable under any conditions to account for the demand to realize a better level of prosperity by the end of this century. By judging the work from an economic or political angle, we must further enhance the dynamics in aiding the poor; increase the input in helping the poor; and adopt more powerful and effective measures to help poor areas accelerate their pace in casting off poverty and becoming wealthy.

2. We should establish strict responsibility systems for work at all levels, and ensure the implementation of various targets and measures. It is a quite arduous task for us to have 7.06 million poor people across the province and deal in a stable way with their problems of dressing warmly and eating their fill by the end of this century. After the work conference, various relevant cities, prefectures, and counties should formulate as soon as possible specific plans for aiding the poor throughout the province. Based on fully carrying out investigations and studies, and in line with the different conditions of every poor county, township, and village, efforts should be made to adopt multiple channels and methods to put forward the date and demand for these poor areas to cast off their poverty, as well as measures for helping or supporting the poor. In order to realize the demand and measures, we should strictly enforce the leadership responsibility system under the collective leadership of the party and government. First, we should have the party committee secretary be responsible for the work. Meanwhile, we should have principal responsible persons in the party and government organs be commonly responsible for it. In line with the demand of aiding the poor in order to achieve development in the province, cities, prefectures, and counties, we should assign good cadres to the leading bodies of counties, townships, and villages who are intelligent and capable; bear hardships and stand hard work; and have established close ties with the masses. Meanwhile, relative stability among the leading bodies should be maintained. We should resolutely readjust the staffers who are not competent and who are unable to assume the task of casting off poverty within the given date. We should be determined to

mobilize and encourage a number of young cadres to work for poor townships and villages. The province should conduct management for the attainment of limited objectives by the work of various cities and prefectures in aiding the poor to achieve development. So should cities and prefectures over the work done by their counties, counties over the work done by their townships, and townships over the work done by their villages. Efforts should be made to enhance the annual appraisal of work to grasp the work progress and to ensure the fulfillment of the goal of casting off poverty within the given date. According to the encouragement and restriction mechanism set by the provincial party committee, we should have the practical achievements scored in the work of aiding the poor and casting off poverty be associated with honor and disgrace, as well as promotion and demotion of cadres. While enhancing the leadership over the whole work of aiding the poor to achieve development, the principal leading persons of party committees and governments at all levels should establish their liaison centers of aiding the poor. The provincial party committee and the provincial people's government have decided that the principal leading comrades of the provincial party committee, the provincial people's congress, the provincial people's government, and the provincial Chinese People's Political Consultative Conference Committee, should take personal charge of the work for a poor county and specifically help a poor village cast off its poverty and become wealthy. Comrades of various cities, prefectures, and counties should do so as well. All principal leading comrades of the party and government organs should help the liaison centers realize the dated goal of casting off poverty and play a model and vanguard role in the whole work of aiding the poor to achieve development.

3. Various departments and units should assume the duty of aiding the poor to achieve development. Such a duty represents a common task undertaken by the society as a whole. All party and government organs, as well as enterprises and establishments that meet conditions should actively join in the hook-up operation in this regard at the fixed area and render their professional service for the work of aiding the poor. All units that have the practical strength of the economy and technology should do so as well. The functionary departments of party committees and governments at all levels should not only actively join in the hook-up operation of aiding the poor at the fixed area, but also bring their functionary role into play so as to successfully carry out their policy research and render associated service as well as to play their role in this regard in a larger scope. Various democratic parties and the federation of industry and commerce should also bring into play their strong points of talented personnel, intensive technologies, and extensive contacts, as well as further carry out the work of aiding the poor by rendering scientific and technical services and engage in intelligent development. In line with their own characteristics the organizations of trade unions, Communist Youth Leagues, women's federations, and militia forces at all levels should actively

join in the work of aiding the poor to achieve development. Scientific research units and higher educational institutions should put forward specific projects and demands for the work and add the poor by rendering scientific, technological, and intelligent services. Large and medium-sized cities whose economy is relatively developed as well as counties, townships, and villages whose economic practical strength is stronger should continuously regard as an important task of their own the work of helping the poor areas change their outlook. They should bring into full play their strong points of funds, technology, information, and markets. They should truly and wholeheartedly help the poor areas develop their economy through multiple ways, such as economic cooperation, technical service, and labor employment. The large industrial and commercial enterprises and the enterprises of foreign trade across the province should also pay attention to giving preferential treatment and more priorities of production expansion of some products and of economic associations to the poor areas, as well as to employing more laborers from these areas. By so doing we can help the poor areas increase their people's income and upgrade the quality of their labor. Various departments and units should display their capability, achieve in aiding the poor by rendering both material and intelligent services, help poor areas develop production and foster confidence simultaneously, and make due contributions to successfully overcome the key difficulties cropping up in the work of aiding the poor. After the work conference, the province's office in charge of aiding the poor will work jointly with the relevant departments to organize and carry out the "project of common prosperity" throughout the province and to mobilize the organs at all levels, various industries and trades, and various social circles to show concern about the work of aiding the poor.

4. It is most important for the broad masses of cadres and people in poor areas to carry forward the spirit of self-reliance and arduous pioneering work. The objective factors that have restricted the development in the poor areas include the poor natural conditions, the shortage of natural resources, frequent disasters, and the undeveloped traffic. However, the main problem that has caused the poor outlook in them is that their subjective efforts and working dynamics need to be strengthened. Poor counties, townships, and villages will absolutely have no hopes if they shift their reasons of poor outlook totally to objective conditions and neglect the subjective initiative of humans. Over the past few years Hebei Province has had a large number of counties, townships, and villages in the areas of mountains, hills, and highland, as well as on the plains along Heilonggang valley, which have succeeded in casting off poverty and becoming wealthy. Reasons for the changes that incurred in these counties, townships, and villages chiefly are that their leading bodies are strong and their subjective effort has been enhanced. Countless facts have shown that the state support and the social assistance only represent an external condition and that what is most fundamental

for the poor areas to cast off their poverty and become wealthy is to rely on the self-reliance and arduous struggle waged by their cadres and masses. Therefore, the broad masses of cadres and people in poor areas must further emancipate their minds; change their concepts; and free themselves from the fixed thinking of blaming God and earth, being powerless, and adopting a wait-and-see attitude. They should understand their own conditions in an overall way, actively open the roads conformed with the development, and fully carry forward the spirit of pioneering the road of advance and conducting arduous pioneering work. They should also enhance their confidence in vigorously overcoming the key difficulties cropping up in the work of aiding the poor by relying on themselves and integrate in an organic way their own efforts with the external support so as to accelerate the progress of casting off poverty and becoming wealthy.

In the final analysis, the key to successfully overcoming the key difficulties in this regard lies on the leading bodies. Leading bodies at all levels in poor areas should further enhance their self-improvement and vigorously upgrade their combating strength and leadership level. The poorer the areas, the more difficulties these areas are encountering, and the more efforts we should make. Leading cadres at all levels should regard as a sacred duty the implementation of the party's purpose and the work of leading the masses to cast off poverty and become wealthy. They should bear hardships and work hard, regard as a glory the spirit of boldly making contributions, and firmly foster the thinking of "bringing about benefits to those who serve." They should also make efforts to successfully study the theory of building socialism with Chinese characteristics; earnestly learn from the experience gained by the advanced areas in casting off poverty and becoming wealthy; and carry out more resolutely, realistically, and effectively the program of their own localities with regard to aiding the poor to achieve development.

Floods Hit Drought-Ridden Hebei

OW2007153494 Beijing XINHUA in English 1456
GMT 20 Jul 94

[Text] Shijiazhuang, July 20 (XINHUA)—North China's Hebei Province has been hit by incessant rainfall since the beginning of this month.

Torrential rains hit the eastern and northern parts of the drought-ridden province between July 11-13 owing to the influence of a typhoon, according to the provincial flood prevention headquarters.

The rainfall, between 20 and 30 centimeters, caused severe flooding. By July 17, 7.8 million people had been affected and 36,000 evacuated.

In Sanhe, the province's nearest city to Beijing, 150 villages and towns were stranded in water, and more than 1,500 people have been evacuated.

Local government leaders have all gone to the front to fight against the floods. By now, some of the flooded railways and roads have been repaired and social systems are in good order.

Shaanxi Province To Build Industrial Corridor in South

OW2007044194 Beijing XINHUA in English 0155
GMT 20 Jul 94

[Text] Xian, July 20 (XINHUA)—Shaanxi province in northwest China will build its mountainous and impoverished south into a manufacturing corridor of power, raw materials, medicine, machinery, electronics, food-stuff and textile industries.

The whole plan will take as long as half a century to implement though the provincial authorities hope that a belt of three major cities and a dozen minor towns will take shape by the year 2010.

The proposed corridor includes three prefectures of Ankang, Shangluo and Hanzhong, which account for one-third of the total provincial landspace. They also constitute one of the largest poor areas in China, with 18 of the area's 28 counties among the poorest nationwide.

In its desperate fight against poverty, the area has recently found where its strength lies. It possesses 2.95 million kw of developable hydropower resources and 14 kinds of minerals with rich reserves. It is also a major supplier of walnut, silk cocoons, raw lacquer, ginger, medicinal herbs and many other farm products.

Past development has built up a relatively convenient transport and telecommunications system and good potential manufacturing power in the area, which is critical to the success of the plan.

The area also has a powerful defense industry. The authorities hope it will help develop the local industries of automobiles, aircraft and machine building.

Provincial party leader Zhang Boxing said the province will take a flexible approach in raising the huge funds needed in the implementation of the plan. "we are not afraid of giving up part of our cake," Zhang said.

Environmental protection will be a chief consideration in the plan. Projects producing heavy pollutants will be definitely discarded, no matter how profitable they are, said Zhang.

Tianjin Secretary Speaks at Meeting of Leading Cadres

SK2107072094 Tianjin People's Radio in Mandarin
2300 GMT 20 Jul 94

[Text] The municipal party committee and government held a meeting of district, county, and bureau leading cadres on the afternoon of 20 July to summarize the work of the first half of this year and to arrange the major work for the second half.

It was emphasized at the meeting: We should further mobilize the vast number of cadres and ordinary people throughout the municipality to clearly estimate the situation, understand the general task, pay attention to major tasks while achieving breakthroughs in key ones, maintain and develop the hard-won good situation through every means possible, pay greater attention to and win greater success in the work for the second half of this year, and fulfill or overfulfill all the work targets and tasks of the year to bring Tianjin's two civilizations up to a new stage.

Gao Dezhan, secretary of the municipal party committee, chaired the meeting and gave an important speech. Zhang Lichang, deputy secretary of the municipal party committee and mayor of Tianjin, also gave an important speech. Attending were Nie Bichu, chairman of the municipal people's congress standing committee; Liu Jinfeng, chairman of the municipal committee of the Chinese People's Political Consultative Conference; and others.

It was noted at the meeting: Since the beginning of this year, party committees and governments at all levels in Tianjin have persistently taken Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guide; conscientiously implemented the guidelines of the 14th party congress and the guidelines of the third plenary session of the 14th party Central Committee; kept the general task for the work of the entire party and entire country in mind to correctly handle the relationship between reform, development, and stability; and united and led cadres and ordinary people to work in a down-to-earth manner. As a result, Tianjin's reform, opening up, and modernization drive have been promoted, and notable results won in all work. Tianjin's situation has been very good on the whole. It has maintained the good trend of sustained, rapid, and healthy development in the economy and fulfilled a half of the annual tasks within half of a year's time. Its major economic indicators in the first half of this year were the best in recent years for the same period. Some of them were better than the national average, and others ranked among the best in the country. Tianjin has also won notable progress and new achievements in party building, the spiritual civilization, comprehensive management of public security, the anticorruption struggle, and overall social progress.

Gao Dezhan pointed out in his speech: In doing the work for the second half of this year, we should clearly estimate the situation, understand the general task, pay attention to major tasks while achieving breakthroughs in key ones, and make continued efforts to fulfill the tasks in line with the plans and arrangements for this year's work made at the second enlarged plenary session of the sixth municipal party committee, the second session of the 12th municipal people's congress, and the municipal economic work conference. We should have a stronger sense of opportunity and exert greater efforts to deepen reform and open wider to the outside world. In the second half of this year, leaders at all levels should

continue to do practical work for the masses with utmost efforts and do practical work for enterprises with every means possible. They must achieve tangible results in this.

In his speech, Zhang Lichang summarized the economic work of the first half of this year. He pointed out that in doing the work for the second half of this year, emphasis should be given to eight aspects.

Tianjin Statistical Bureau Delivers Report

SK2107041894 Tianjin TIANJIN RIBAO in Chinese 8
Jul 94 p 1

[By reporters Li Ruhai (2621 0354 3189) and Wang Yong (3769 0516): "Tianjin's Industrial Economy Develops Healthily"]

[Text] The latest data from the Tianjin Municipal Statistical Bureau showed: In the first half of this year, the industrial enterprises in Tianjin, following the planning of the second session of the sixth municipal party committee, conscientiously carried forward the spirit of the municipal economic work meeting, deepened reform, worked hard in a down-to-earth manner, and met difficulties head-on. Their efforts helped maintain sustained, stable, and healthy development in the industrial economy. The main economic indicator was at the fairly good level compared with the corresponding period of recent years.

In the first half of this year, the output value of industries at and above township level in our municipality, totaling 46.532 billion yuan, increased 17.1 percent compared with the corresponding period of last year, and this was the second highest level we attained since last year. The basic characteristics of the industrial economy's development were: Industrial production continued to grow at a fairly high speed, and it accelerated with each passing month. In the first quarter of this year, industrial production in our municipality registered an increase of 14.6 percent in output value over the corresponding period of last year; in April, 17 percent; in May, 17.1 percent; and in June, 18.82 percent. The accumulative total increased 17.1 percent from January to June.

The situation of Tianjin's mainstay industrial production improved month by month in the second quarter of this year. The output value the industrial enterprises created in April increased 2.61 percent; in May, 2.72 percent; and in June, 9.85 percent. The accumulative total increased 6.81 percent in the first half of this year. The production speed of the auto company, steel tube company, machinery bureau, and electronic meter bureau was fairly high. The auto company and steel tube company, which were listed at the top of the "2-2-2 project" [focusing on the two key industries, the auto industry general company and the steel tube company, 20 key enterprises at the municipality level, and 200 key enterprises at the bureau, district, and county level], increased their output value by 770 million yuan in the first half of this year compared with the corresponding

period of last year, and the increase accounted for 46 percent of the total increase of industrial enterprises. Tianjin's textile industry, in the first half of this year, reversed the trend of a continuously decreased production last year to increase its output value by 7.05 percent. The output value of the products, such as pure cotton cloth, silk fabrics, and knitting wool, increased at rates varying from 11.6 percent to 68 percent.

The production of the "three types of foreign-funded enterprises" and township enterprises continued to grow at a high speed. In the first half of this year, the total output value of Tianjin's "three types of foreign-funded enterprises" was 10.05 billion yuan, increasing 1.14 times compared with the corresponding period of last year; and the net increase was 5.359 billion yuan, accounting for 78.9 percent of Tianjin's net increase. This brought along the industries in the entire municipality up 11.25 percentage points. Township enterprises created an industrial output value of 9.011 billion yuan, increasing 39.93 percent compared with the corresponding period of last year. The continuous high-speed increase of the "three types of foreign-funded enterprises" and township enterprises played a fairly important role in Tianjin's industrial development.

The light industry in Tianjin continued to maintain a fairly fast increase since this year. In the first half of this year, the light industry created an output value of 20.464 billion yuan, an increase of 22.89 percent from the corresponding period of last year. Its net output value increase was 3.812 billion yuan, accounting for 56.1 percent of the net increase of the entire industry. Some light industrial products such as televisions, videos, washing machines, cloth, knitting wool, chemical medicines, leather shoes, and motorcycles witnessed a fairly large increase.

Industrial economic efficiency continued to improve, and the principal economic indicator set a new record high. According to statistics from January to May, the sales income of the industrial enterprises at and above township level that implemented the independent accounting system was 35.633 billion yuan, an increase of 17.4 percent compared with the corresponding period of last year, and the profits and taxes created totalled 3.679 billion yuan, increasing 40.3 percent. Of this, profits were 1.129 billion yuan, increasing 42.30 percent; taxes 2.55 billion yuan, increasing 39.5 percent; the added value of industry was 9.963 billion yuan, increasing 25.5 percent; the deficit volume of the enterprises which incurred losses was 950 million yuan, down 6 percentage points compared with the corresponding period of last year. All of this set a fairly good record in recent years.

Reform and opening up were accelerated, and the task on transforming enterprises with advanced technology and funds from abroad saw new progress. Since this year, Tianjin's industrial enterprises firmly grasped the preferential opportunity of the deepened development on reform and opening up, enhanced timely the impetus of

transforming enterprises with advanced technology and funds from abroad, and promoted vigorously the sustained and stable development of industrial economy. According to the statistics from January to May, the investment involved in the contracts for newly approved foreign fund projects totalled \$1.984 billion, and of this, the foreign funds registered \$1.483 billion, increasing respectively 5.81 percent and 29.7 percent compared with the corresponding period of last year. The industrial enterprises, focusing on the municipal government's plan of "accomplishing the task of transforming enterprises with advanced technology and funds from abroad within eight years," and the arrangements for the "2-2-2 project," accelerated the paces of adjustment and reform. From January to May, 18 enterprises were annexed and adjusted; and 26 enterprises signed contracts for real estate development and transfer to develop 220,000 square meters of areas. Funds involved in these contracts totalled 320 million yuan, and 103 million yuan of them have been invested.

In the first half of the year, there existed some problems worthy of noticing while in the meantime the industrial economy developed healthily. The main problems were that the marketing rates were lower than the corresponding period of last year, the stocks of finished products increased, and the problem of the shortage of funds among enterprises was more conspicuous as the state continued to strictly control banking credit.

Northeast Region

Jilin People's Air Defense Projects Develop Rapidly

SK2107073194 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 20 Jul 94

[Text] This year's 20 July marked the 10th anniversary of the promulgation of the people's air defense regulations by the State Council and the Central Military Commission. Over the past 10 years, construction of the people's air defense projects has developed rapidly with good results and high quality, and the development and utilization of the projects aiming at combining the peacetime needs with the wartime preparedness have also proceeded rapidly. Over the past 10 years, along with the deepening of reform, the province's people's air defense work has witnessed some remarkable changes, changing from being regarded as a temporary task in the past to being regarded as a long-term economic task, changing from being built independently to being built with the forces of all fields by incorporating it into the national economic plan, and changing from rendering single-item service to rendering comprehensive service. In developing and utilizing the people's air defense projects, we have persisted in the concept of commodity economy, the concept of being used by military and civilian units, and the concept of efficiency. Based on the guidance by markets, we have adopted preferential policies for building the people's air defense projects and economic results have doubled and redoubled. Since the

beginning of this year, these projects have generated a total of 280 million yuan in profits and taxes. The development and utilization of the people's air defense projects have not only increased economic efficiency, but also resolved problems with regard to urban traffic facilities, employment, boarding, cultural recreation, and people's lives. With focus on combining the peacetime needs with wartime preparedness, by persistently combining the building of the people's air defense projects with the building of urban facilities, we have built a number of projects one after another that are good in technology, quality, and efficiency. Over the past 10 years, a total of 400 million yuan has been invested in building some 130 items of various kinds and 35 new projects, covering a total floor space of 100,000 square meters. These projects include the Changchun (Yuanhuan) Market, the (Hongshizi) Market, the Jilin Grand World, the Yanji People's Air Defense Underground Market, Hunjiang city's (Baishan) Construction Market, Siping city's (Dongtian) Trade Town, Tonghua city's (Zhanping) Underground Market, and Liaoyuan city's People's Air Defense Market. These projects not only have good combat effectiveness, but also have yielded good economic and social effects.

Liaoning Acting Governor on Economic Strategy

SK2107041394 Shenyang LIAONING RIBAO in Chinese 8 Jul 94 p 1

[By reporter He Beijian (0149 0554 0494): "Developing 'Two High and One Fine' Project Is the Foundation for Promoting the Old Industrial Base"]

[Text] "Developing the 'two high and one fine' project is the basic mission for the promotion of Liaoning's old industrial base," said Wen Shizhen, deputy secretary of the provincial party committee and acting governor.

Wen Shizhen illustrated this viewpoint at the information briefing and trade talk on high and new technology and products held by the Chinese Academy of Sciences in Shenyang on 22 June. He pointed out: The so-called "two high and one fine" project means that high-tech industries should be developed; high technology should be employed to transform traditional industries; and fine processing should be conducted on resources, raw materials, and primary products.

Wen Shizhen held: Since the late 1970's, a science and technology revolution centering on high and new technology has affected the principal countries and areas in the world. High and new technology has become the commanding point for a country to develop economy. The one who occupies a dominant position in the field of high and new technology will gain the political and economic initiative. The developing countries are therefore facing severe challenges of survival and development. The ROK, compared with Liaoning, has 10 percent more population and one-third less land in addition to very little underground or land resources. Before the mid-1960's, almost all of Liaoning's trade was superior

to that of the ROK. However, the ROK began to develop in the 1970's and, in the late 1980's and the early 1990's, its import and export value was equal to that of our entire state. The key to the fast development of the ROK economy was that it attached much importance to employing high and new technology and developed industries from a high starting point while maintaining high levels all the time. As Liaoning is an old industrial base, we should use the advanced experiences at home and abroad as references to, on the one hand, develop high-tech industries and, on the other, employ high technology to transform traditional industries. We should also develop fine processing on Liaoning's resources, raw materials, and primary products. He held: Under the planned economy system, Liaoning's industrial structure was superior at the beginning of the state's economic construction. But in the past 15 years after reform and opening up, all parts of the country vied with each other to restructure the industry. This new situation forced us to reconsider the advantageous position of Liaoning's industrial structure and review again how to turn our advantages over resources and raw materials into the advantages over the commodity economy. We should not be satisfied with the current situation any more. In the domestic market, Liaoning is attacked from the back and rear, as it faces more severe and more intense competition. New opponents in the field of raw material industry have emerged, and other areas have developed high technology while we are merely at the starting point. If this circumstance is not changed as soon as possible, Liaoning will lag increasingly farther behind some provinces and cities in south China.

Wen Shizhen held: The adjustment to Liaoning's product mix and industrial structure is a strategic issue concerning the general task. The current mainstay of Liaoning's structure is composed of the infrastructural industry and the raw material industry. After price controls were lifted, the value of important means of production has decreased while that of finely processed products has increased, resulting in a contrast in comparative efficiency. Liaoning's economic development has been seriously restricted by structural contradictions, and therefore we should adjust product mix and industrial structure throughout the whole province.

He stated: Many trades in Liaoning have "three highs" (high consumption, high cost, and high pollution) and "two lows" (low labor productivity rate and low economic efficiency). The fundamental way to tackle these problems is also to develop the "two high and one fine" project.

Northwest Region

Ningxia Completes Highway Project

OW1907032294 Beijing XINHUA in English 0255 GMT 19 Jul 94

[Text] Yinchuan, July 19 (XINHUA)—Northwest China's Ningxia Hui Autonomous Region has completed construction of and put into use its first high-grade highway.

The highway, which was listed as one of the key construction projects during the Eighth Five-Year Plan period (1991-1995), has a total length of 48.4 km and links this regional capital with Guyaozi city.

The highway is the only important access to the eastern areas of the region from Yinchuan. It is also a part of the thoroughfare from Qingdao, a seaside summer resort in Shandong Province, to Yinchuan via Taiyuan, provincial capital of Shanxi Province.

It will also divert vehicles from National Highway No. 109, and shorten the trips from Yinchuan to the large coalfield in the eastern part of Ningxia, which is now under construction, and to Dingbian in Shaanxi Province by 40 km.

Ningxia Reaps Good Harvest 10th Straight Year
OW2007151094 Beijing XINHUA in English 1452
GMT 20 Jul 94

[Text] Yinchuan, July 20 (XINHUA)—The Ningxia Hui Autonomous Region in northwest China has reaped a good harvest of summer crops for the tenth year running.

The regional agricultural department estimated that the region's 378,000 ha of crops will produce 800 million kg of grain, slightly less than the record 1993.

The irrigated farm land along the Yellow River [Huang He], with 110,000 ha of farms, will reap a record 600 million kg, according to the department.

Xinjiang 'First' To Establish Two Separate Tax Organs

OW2007234694 Urumqi XINJIANG RIBAO in Chinese
1 Jul 94 p 1

[By reporter Peng Wenming (1756 2429 2494) and trainee Liu Dafeng (0491 1129 1496)]

[Text] The autonomous region's branch of the state administration of taxation and the autonomous regional taxation bureau were officially inaugurated on the afternoon of 30 June. They will begin operations on 1 July. Wang Zongshi, former director of the autonomous regional taxation bureau was appointed as the director of the autonomous region's branch of the state administration of taxation and Gong Jinniu, director of the autonomous regional finance department, was concurrently named the director of the regional taxation bureau. Xinjiang thus becomes the first of all the nation's provinces and autonomous regions with two separate taxation organs.

Formation of two separate taxation organs is one of the major decisions of the State Council. It meets the objective demands for practicing the tax-sharing financial structure; it is conducive to increasing the central government's revenues; to enhancing macroeconomic regulation and control; to increasing local revenues; to taxation cadres' concentrating efforts to promote the new tax

system; to enhancing work on collecting and managing taxes; and to doing a good job with tax-collection planning.

The two separate taxation organs at the prefectural and city level will also begin operations on 1 July.

On behalf of the autonomous regional CPC committee and the autonomous regional government, Wang Lequan, deputy secretary of the autonomous regional CPC committee and vice chairman of the autonomous regional government, congratulated the formation of two separate taxation organs at a meeting to mark the establishment of the autonomous region's branch of the state administration of taxation and the autonomous regional taxation bureau. He called on the two tax bureaus to shift the focus of their work as soon as possible to tax-collection planning following their establishment and to gradually improve their organizational structure while paying attention to increasing tax revenues. He also called on them to enhance unity; to support each other; to step up training of leading cadres; to stress professionalism; to increase the efforts of building a clean administration; to rectify unhealthy tendencies at taxation organs; and to help taxation organs build a favorable image among the people.

Xinjiang Boosts Oil Production

OW2007153394 Beijing XINHUA in English 1458
GMT 20 Jul 94

[Text] Urumqi, July 20 (XINHUA)—Three major oilfields in northwest China's Xinjiang Uygur Autonomous Region will raise their annual production capacity to 14 million tons this year from 11 million tons last year.

The three oilfields in the Tarim, Junggar and Turpan-Hami basins are expected to produce 12 million tons this year.

At present, 150,000 workers are aggressively exploring and drilling wells in these oilfields, with a state investment of over ten billion yuan this year.

Covering 740,000 sq km, the three oil fields have estimated oil reserves of billions of tons, accounting for one-quarter of the mainland's total.

China began to develop the three oilfields in the 1980s.

Geological prospecting workers have ascertained 75 oil-bearing formations after a thorough investigation of the deep structures of the basins.

The newly proved reserves in the crude oil belts and oil gas interfaces are the highest for the past decade.

Workers at the oilfield in central Tarim have completed the first construction phase of the no. 4 oil well, which has a verified reserve of 100 million tons and which started to pump oil on a trial basis last spring.

The oilfield will achieve a production capacity of five million tons of oil next year when the no. 4 oil well and four other wells go into operation.

The oilfield in the Junggar basin has increased its production capacity by 1.62 million tons.

The China oil and natural gas exploration and development corporation is striving to raise the annual production of the three oilfields to 17 million tons by the end of the eighth five-year plan period (1991-1995).

Spokesman Welcomes U.S. Policy Toward Taiwan
OW2107142194 Taipei CNA in English 1351 GMT
21 Jul 94

[By Bear Li]

[Text] Taipei, July 21 (CNA)—Taipei said Thursday [21 July] that it welcomes the remarks made Tuesday by the United States that Taiwan's defense is assured under the Taiwan Relations Act.

US Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord, during a press briefing for foreign media in Washington D.C., said that the US Government believes Taiwan is more secure now than ever before.

"We have made sure that Taiwan's defense is assured under the Taiwan Relations Act even as we've maintained a one-China policy and respect for the three communiques of Beijing," he said.

Foreign Affairs Ministry spokesman Rock Leng said the Republic of China Government has always looked forward to the implementation by the United States of a Taiwan policy based on the Taiwan Relations Act.

Lord on the same occasion also said that the Clinton administration is reviewing its current policy toward Taiwan to see whether any adjustments should be made.

Lien Chan Says Mainland Fisherman Issue To Be Studied

OW2107141994 Taipei CNA in English 1340 GMT
21 Jul 94

[By Benjamin Yeh]

[Text] Taipei, July 21 (CNA)—Premier Lien Chan on Thursday demanded that the feasibility of allowing mainland fishermen to work aboard local fishing vessels be thoroughly studied, 10 days after a boat used as a shelter for a group of mainland crewmembers ran aground off the coast of northeastern Taiwan during a storm, killing 10.

Expressing condolences to the victims, Lien said that given the number of factors involved in the issue, it needs to be carefully reviewed before a final decision can be made.

More than 1,000 mainland crewmembers have worked illegally on local fishing boats, but because they are not allowed entry into Taiwan, have been forced to stay on offshore "floating hotels."

Huang Kun-hui, chairman of the Mainland Affairs Council, told the regular cabinet meeting Thursday that the floating hotels pose a great threat to Taiwan's security. "Managing the mainland crewmembers is troublesome," he said. "Brawls or even fistfights among them are often reported. Even worse, because the ships being

used to house them are anchored only hundreds of meters away from the coast, it's easy for them to slip onto the island."

The Straits Exchange Foundation (SEF) on Thursday received a fax from its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), which denounced Taiwan authorities for denying entry to mainland crewmembers in emergency situations. Both the SEF and ARATS are authorized by their respective governments to handle private exchanges across the Taiwan Strait.

The charge was categorically rejected by Huang. He said the snapping of a cable that anchored the ill-fated ship, and not a government regulation, was responsible for the boat running aground in Suao harbor.

The SEF expressed hope that the incident would not affect the fifth round of cross-strait talks on technical issues, which is slated to begin here on July 30.

The ARATS accusation is generally believed to be a Beijing tactic to prevent the SEF from raising the proposal of how to ensure the safety of Taiwan tourists in Mainland China—a major concern of local residents following the deaths of 24 Taiwan tourists on Qiandao lake on March 31.

IDF Squadron To Deploy 'Sky Sword-II' Missiles

OW2007064994 Taipei LIEN HO PAO in Chinese
11 Jul 94 p 4

[Text] It has been disclosed that, to cope with the Chinese Communists' procurement of SU-27 fighters, the first IDF [indigenous defense fighter] squadron, when it is set up at the end of this year, will deploy the Sky Sword-II medium-range missiles, while production of the Sky Sword-I short-range missiles will be reduced from the original 800 to about 300 units due to an adjustment in the Air Force's purchase plan. In addition, the General Staff Headquarters is expected to approve in the near future the budget for the reduced IDF production. The adjusted budget will be about 140 billion New Taiwan dollars [yuan] in total.

It has been learned that it was the instruction of General Liu Ho-chien, chief of the general staff, that the Sky Sword-II missiles be deployed and the initial combat preparations be completed at the end of the year. The Sky Sword-II are radar-guided medium-range missiles that have electronic counter-counteracting capabilities. Bottlenecks were encountered while it was being developed, and the problems were not solved until key technologies were bought from a European country and a country in the Middle East. It has been reported that a recent test of the missile was quite successful. The missiles' radar-guided computer can easily distinguish the dummy targets and can directly hit target planes. The completion of combat preparations for the Sky Sword-II at the end of the year will be very significant.

The decision to reduce the production of Sky Sword-I missiles from 800 to about 300 units was made because the Air Force, in its purchase of F-16 and Mirage fighters, decided to buy 900 Sidewinder missiles, 600 Sparrow missiles, and 1,440 Mica and Magic missiles, totalling about 3,000. It has been learned that the Sky Sword-I, Sky Sword-II, Sidewinders, and Sparrows can all be mounted to the IDF.

The General Staff Headquarters has decided in principle on the budget for the reduced production of IDF from 250 to 130 units. The budget for "further modifications" has been removed and the amount expected to be approved will be about 140 billion yuan. This shows that the General Staff Headquarters wants to stabilize the quality of the fighters first and then gradually improve their performance. It has been disclosed that, as of this date, more than 70 billion yuan has been spent on IDF production, and more than 50 billion yuan has been used for research and development purposes.

It has been learned that the budget for the IDF project in the past year was appropriated according to actual spending. Spending will be subject to the reduced budget after it is approved.

Cabinet Approves Tariff Cuts on 154 U.S. Industrial Goods

*OW1907222594 Taipei Voice of Free China in English
0200 GMT 16 Jul 94*

[Text] The cabinet has reportedly approved a proposal by the Economics Ministry to reduce tariffs on 479 import items, including 154 industrial products from the United States.

During the initial tariff talks earlier this year, Taiwan made a commitment to the United States to slash tariffs on a list of products. They included the 479 items. Import duties on a list of 78 American products that did not need to be reviewed by the legislature reduced in March [as heard] after regular tariff reduction evaluation program by the customs authorities.

The rates will be cut after approval from the Legislative Yuan. The legislature has required that reductions or increases in tariff rates on major industrial and agricultural items must be preceded by parliamentary approval.

Hong Kong

Lu Ping Says Investor Interests Protected After 1997

HK2007153594 Hong Kong WEN WEI PO in Chinese
13 Jul 94 p A2

[By Li Xiaobing (2621 4562 0393): "Lu Ping Reassures Foreign Businessmen That Their Interests Will Be Protected Should They Invest in Hong Kong After 1997"]

[Text] Beijing, 12 Jul (WEN WEI PO)—Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, today reiterated while meeting Derek Maugham, chairman of the board of directors and chief executive officer of Salomon Brothers and Company of the United States and his entourage, that China welcomes investors from various countries to continue to develop businesses in Hong Kong after 1997, that their interests will be protected by law, and that the situation where persons of nationalities other than British nationality cannot become permanent Hong Kong residents will change after 1997.

Lu Ping said that Hong Kong has numerous links with the mainland and is a golden bridge through which the mainland reaches out to markets in the West, and investors from the West also view Hong Kong as a bridge through which they can enter the Chinese market. As an international financial and trading center, Hong Kong still has much scope to develop when compared with big centers such as London, and the Chinese Government welcomes foreign funds entering Hong Kong continuously to enable Hong Kong's financial markets to grow in size and Hong Kong to maintain its central position. The interests of investors from various countries will be protected by law, and the current laws on investment will extend beyond 1997. Regarding the current situation where persons with nationalities other than British nationality cannot become permanent Hong Kong residents after residing in Hong Kong for seven years, Lu Ping said that there will be a change after 1997, that capital from various countries will compete on an equal footing and will not be discriminated against, and that it will become more convenient for Americans to enter Hong Kong and invest in Hong Kong after 1997.

Lu Ping agreed with his guests' opinion that the current pegged system is good for Hong Kong. He said that although the current depreciation of the U.S. dollar had led to a subsequent depreciation of the Hong Kong dollar and increasing inflation in Hong Kong, judged from long-term development, the pegged system is good for Hong Kong and should be maintained.

Derek Maugham and his entourage have come to Beijing to open a Salomon Brothers' representative office in Beijing. Lu Ping hoped that when they develop business in Beijing they will continue to strengthen the company's business in Hong Kong and play a role in investing in the mainland.

Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office, was present during the meeting.

Official Views 'Consistent' Policy on Sino-British Ties

HK2107090194 Hong Kong TA KUNG PAO in Chinese
17 Jul 94 p 1

[Report: "Zhang Junsheng on Comprehensive Cooperation and Consistency of China's Policy Towards Britain"]

[Text] Zhang Junsheng, deputy director of Xinhua News Agency Hong Kong Branch, says that cooperation between China and Britain should be comprehensive. China's policy has always been consistent and there is no suggestion of it being different from that previously adopted.

After attending the opening ceremony of the Commercial Press in Tuen Mun yesterday afternoon (16 July), when asked if the political dispute and livelihood issues can be handled separately through Sino-British cooperation, Zhang Junsheng said: Cooperation between China and Britain should be comprehensive. One should not cooperate with the other just in certain areas he likes while he refuses to do so in areas he does not like.

When questioned closely about previous Chinese statements that political and livelihood issues could be handled separately, he stressed that Chinese Vice Premier Qian Qichen made it clear earlier that cooperation between China and Britain should be comprehensive.

He went on to say: "There is no suggestion that the Chinese attitude is different from that previously adopted."

He added that China's policy has always been consistent and all of its policies are consistent.

When asked if Sino-British relations are not good, he replied that there have always been contacts in the relations between the two countries. However, the current state of affairs is caused completely by the British adoption for a long time of an uncooperative and even confrontational attitude over many matters, particularly the issue of Hong Kong's political structure.

Editorial Links Political, Economic 'Cooperation'

HK2007124794 Hong Kong WEN WEI PO in Chinese
20 Jul 94 p A2

[Editorial: "The British Will Create Trouble Again"]

[Text] Someone is trying to practice deception by saying continuously that the Sino-British "row over the political system has already ended," "Sino-British relations have turned positive," "Sino-British relations are very very good," and "China and Britain will strengthen cooperation." Some newspapers in Britain have also carried headlines which say that China very much hopes

British businessmen and technicians can assist in the areas of power generation, communications, rail systems, and so on, as if China has already swallowed the bitter pill and will now stoop to compromise and offer a large number of contracts to Britain. This is just cheap propaganda by the British side, which certainly wishes that it was true.

Someone talks about "cooperation" and keeps saying that Britain will not seek advantages from the political reform and that Britain has no intention other than returning Hong Kong to China smoothly. However, in reality Britain sets up obstacles here and there to the resumption of sovereignty by China in 1997 and to the implementation of the Basic Law; it is deliberately causing trouble. How can China trust Britain's good words while watching these contradictory deeds? Therefore, China has always stressed that while Britain claims there is a need to improve relations, and the Chinese side also wants Sino-British cooperation, whether there can be cooperation or not depends on the actions and attitude of the British side.

An old Chinese saying goes: "Listen to his words, watch his deeds." Is it not true that during a year of talks on the 1994/1995 elections, the British side repeatedly said it would carry out negotiations on the basis of the "three conformities?" In the end, it clung to the "three violations." Is it not true that the British side said it would abide by the agreements? But it later categorically denied any agreement between China and Britain and unilaterally pursued reform of the political system. And, for example, concerning the new airport, is it not true that the British side said it would abide by the Memorandum of Understanding on the New Airport? However, with regard to the debt question, it has tried every trick to break from the relevant stipulations on borrowing. Is it not true that the British side said it had no intention to impact on powers belonging to the domain of Chinese sovereignty? However, in practice it has raised undue demands regarding the selection of the chief executive of the Special Administrative Region [SAR] in 1997 as well as the appointment of secretary-level officials. According to the Sino-British Joint Declaration, British rule will end on 30 June 1997, but Chris Patten has repeatedly tried to extend the tenure of the Legislative Council, which was formed according to the Letters Patent and the Royal Instructions, to an SAR which is under Chinese sovereignty. After using various means to enable the political reform plan to be adopted by the Legislative Council on 29 June, Patten has not stopped on this issue. Britain will derive methods to change the executive-led system, use various means to raise the status of the Legislative Council and expand its power, and appoint directly elected members of the Legislative Council to the Executive Council and allow them to participate in decisionmaking; in addition, it is pursuing "freedom of information" reforms to force the executive branch to publicize all information at the decisionmaking stage and punch a hole for the legislative branch to interfere with the executive as well as to dominate it. In order to

expand political space for pro-British forces, the British Hong Kong authorities, in a way which resembles the distribution of roles, has asked loyal members of the Legislative Council to initiate a series of legal amendments and legislation to greatly alter the legal system so as to support the implementation of a legislative-led system. The Joint Declaration clearly states that China and Britain will carry out consultations on transitional matters, but now the British side is acting on its own to settle matters which need to be discussed during the transition period, with as little discussion as possible with the Chinese side, and is shirking its responsibility for not carrying out consultations by pointing to the British Hong Kong authorities, who then say that these are matters for the Legislative Council. Is there really any sincerity for cooperation judged from these actions by the British side? Recently, a sewage treatment plan and a retirement pension plan have been announced without discussion and agreement by the Sino-British Joint Liaison Group, and this is an attempt to create a situation where raw rice becomes cooked rice. Furthermore, the sewage treatment plan has already started construction, just like the old trick they used to build the new airport, where they allocated funds first and then forced the Chinese side or the SAR government to accept it. A series of actions by the British side shows that verbal "cooperation" is not real cooperation. The British side just wants to act on its own and let the Chinese become a rubber stamp.

The Chinese side certainly will not consent to nor accept the practice where the British side "causes trouble in the name of cooperation." Therefore, Foreign Minister Qian Qichen pointed out when meeting Goodlad: "Cooperation means thorough cooperation." If someone thinks that while Britain does not cooperate on the Hong Kong question and keeps causing trouble it can still receive a large number of orders from China and that its long-term interests in Hong Kong will not be affected, then this is certainly one's own wishful thinking.

When political relations between two countries are good, there are good conditions for both sides to carry out economic cooperation. The great successes in economic cooperation between China and European countries fully prove that political and economic cooperation are related. China is never ambiguous about sovereignty and the issue of reunification and its resumption of sovereignty over Hong Kong is the strong will of 1.1 billion people. China is completely able to ensure the implementation of the Basic Law, and all of the political and legal changes of the "three violations" unilaterally pursued by the British side before 30 June 1997 will be rendered null and void on 1 July 1997. The British side should not think that it can try its luck and imagine that China will act like Li Hongzhang [the Qing Dynasty official blamed for ceding territory and trading privileges to foreigners]. British strategists have erroneously assessed Britain's strength and China's will and ability to safeguard Hong Kong's smooth transition and long-term prosperity and stability; it is Britain which will eventually suffer losses.

China does not want to see someone continue to cause trouble in Hong Kong, and if Britain cooperates, both sides will benefit. If the British side stubbornly acts in its own way, then China has already made various preparations to remove the trouble. If Britain has sincerity to cooperate, it should take some concrete actions to improve the atmosphere.

Correction to New State Security Laws Not To Affect Press

HK2007095694

The following correction pertains to the item headlined "New State Security Laws Not To Affect Press After 1997," published in the 19 July China DAILY REPORT, pages 72-73: Page 72, column two, fifth paragraph, first sentence make read: ...Zhang Junsheng, the director [title as published] of the local... (providing editorial note)

Macao

Macao Aviation Safety Committee Established

OW1907135594 Beijing XINHUA in English 1334
GMT 19 Jul 94

[Text] Macao, July 19 (XINHUA)—The Macao Government has established an aviation safety committee which is responsible for making legislative measures concerning aviation safety, according to the latest government bulletin.

The bulletin says, with the operation of the Macao Heliport and the completion of the Macao International Airport, both of which are international air transport facilities, it is necessary to take legislative measures relating to aviation safety and to bring Macao into the international system of aviation prevention and exchange of information.

The bulletin stipulates that the chairman of the Macao Civil Aviation Authority is responsible for establishing the system of air transport simplified procedures and civil aviation safety, as well as making of concerned plans.

Being responsible to put forward effective measures and proposals on the management of Macao Heliport and Macao International Airport, and offer suggestions on prevention of illegal activities harmful to aviation safety, the bulletin says, the committee will be a consultative organization for the chairman of the Macao Civil Aviation Authority in simplifying procedures and guaranteeing aviation safety.

The committee will also be responsible to coordinate between concerned organizations in working out safety regulations and offering suggestions.

Consisting of different government departments, the Macao Aviation Safety Committee will be chaired by the chairman of the Macao Civil Aviation Authority.

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